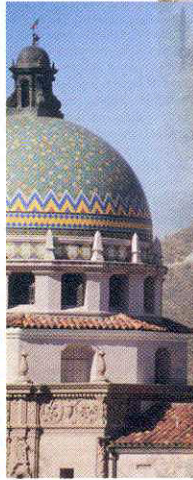


# Tucson, Arizona

TRANSPORTATION



DOWNTOWN

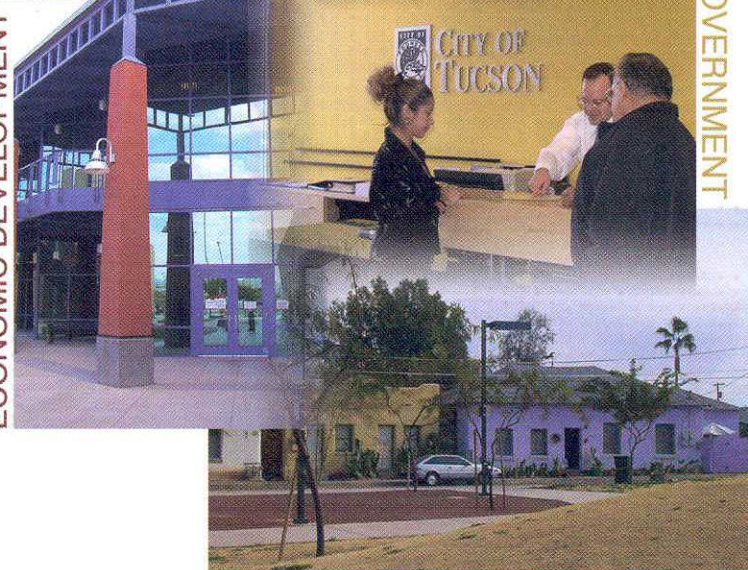


GROWTH



GOOD  
GOVERNMENT

ECONOMIC  
DEVELOPMENT



NEIGHBORHOODS

## Biennial Budget

Fiscal Years 2003 & 2004

*Recommended Update for Fiscal Year 2004*



# Tucson, Arizona

## Biennial Budget

Fiscal Years 2003 & 2004

*Recommended Update for Fiscal Year 2004*

### CITY COUNCIL



HONORABLE  
ROBERT E. WALKUP  
MAYOR



JOSÉ J. IBARRA  
WARD 1



CAROL W. WEST  
WARD 2



KATHLEEN DUNBAR  
WARD 3



SHIRLEY C. SCOTT  
WARD 4



STEVE LEAL  
WARD 5



FRED RONSTADT  
WARD 6

### CITY ADMINISTRATION



JAMES KEENE  
CITY MANAGER

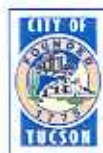
MIKE LETCHER  
Deputy City Manager

LIZ RODRIGUEZ MILLER  
Assistant City Manager

BENNY YOUNG  
Assistant City Manager

TODD SANDER  
Chief Information Officer

KAREN THORESON  
Assistant City Manager





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# Tucson, Arizona

## TRANSPORTATION



## DOWNTOWN



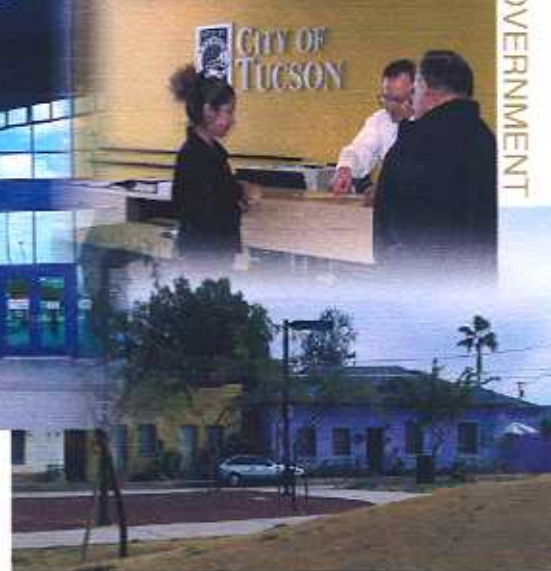
## GROWTH



## GOOD

## GOVERNMENT

## ECONOMIC DEVELOPMENT



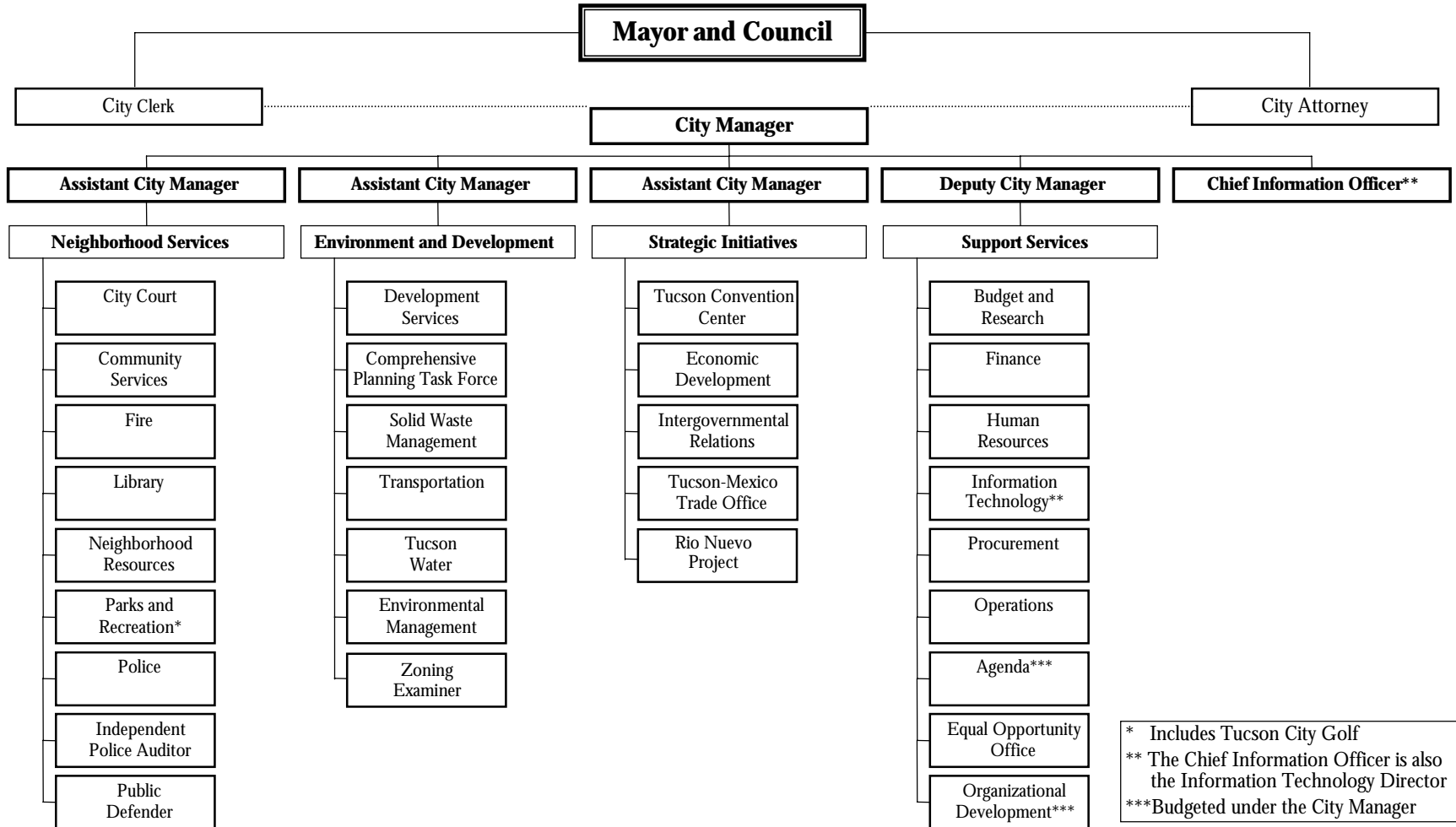
## NEIGHBORHOODS



*Through cooperative leadership  
provide the resources, expertise  
and enduring spirit required to be  
one of the top ten cities in America.*



**CITY OF TUCSON  
ORGANIZATION CHART  
FISCAL YEAR 2004**





# CITY OF TUCSON

## OFFICIALS AND DIRECTORS

---

### OFFICIALS

City Manager, *James Keene*

Deputy City Manager, *Mike Letcher*

Assistant City Manager, *Liz R. Miller*

Assistant City Manager, *Benny J. Young*

Assistant City Manager, *Karen Thoreson*

Chief Information Officer, *Todd Sander*

City Attorney, *Michael House*

City Clerk, *Kathleen S. Detrick*

### NEIGHBORHOOD SERVICES

City Court, *Antonio Riojas*

Community Services, *M. Emily Nottingham*

Fire, *Dan Newburn*

Independent Police Auditor, *Liana Perez*

Library, *Agnes M. Griffen*

Neighborhood Resources, *Paul Swift*

Parks and Recreation, *Bob Martin, Acting*

Police, *Richard Miranda*

Public Defender, *Charles Davies*

### ENVIRONMENT AND DEVELOPMENT

Comprehensive Planning Task Force,  
*Albert Elias*

Development Services, *Ernest Duarte*

Environmental Management, *Karen Masbruch*

Solid Waste Management, *Eliseo Garza*

Transportation, *James W. Glock*

Tucson Water, *David Modeer*

Zoning Examiner, *Peter Gavin*

### STRATEGIC INITIATIVES

Economic Development, *Kendall Bert*

Intergovernmental Relations, *C. Mary Okoye*

Rio Nuevo Project, *John S. Jones*

Tucson Convention Center, *Richard Singer*

Tucson-Mexico Trade Office, *Augustine Garcia*

### SUPPORT SERVICES

Agenda, *Joan Stauch*

Budget and Research, *Ned Zolman*

Equal Opportunity Office, *Sylvia Campoy*

Finance, *J. Scott Douthitt, Acting*

Human Resources, *Suzanne Machain, Acting*

Information Technology, *Todd Sander*

Operations, *Ronald L. Meyerson*

Organizational Development,  
*Julie Edmonds-Mares*

Procurement, *Wayne A. Casper*

## **BUDGET CALENDAR FISCAL YEAR 2004**

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Sequence of events in the budget-setting process for Fiscal Year 2004.

October 7, 2002	Mayor and Council Discussion of Fiscal Years 2003 and 2004 Budgets.
November 8, 2002	Mayor and Council Fiscal Year 2004 Budget Workshop.
November 11, 2002	City Manager begins review of the Fiscal Year 2004 budget deficit and budget balancing strategies.
November 22, 2002	Five-year capital improvement program requests submitted by departments to Budget and Research.
November 25, 2002	Second Mayor and Council Fiscal Year 2004 Budget Workshop.
December 2, 2002	City Manager presents budget reduction options to Mayor and Council.
February 10, 2003	Mayor and Council study session on the Citizens Bond Project Oversight Committee Report.
March 3, 2003	Submission of the City Manager's Recommended Update to the Fiscal Year 2004 Budget to Mayor and Council.
March 17, 2003	Mayor and Council study session on Discussion of Revenue Options.
March 17, 2003	Public Hearing on the Recommended Budget.
March 24, 2003	Study Session for the purpose of discussing budget reductions.
April 7, 2003	Study Session for the purpose of discussing budget reductions.
April 14, 2003	Mayor and Council budget wrap-up study session.
April 21, 2003	Fiscal Year 2004 Tentative Budget adoption.
April 28, 2003	Truth in Taxation public hearing on primary property tax levy for Fiscal Year 2004.
April 28, 2003	Public Hearing on Fiscal Year 2004 tentative budget.
April 28, 2003	Special Mayor and Council meeting for purpose of final budget adoption.
May 5, 2003	Adoption of Fiscal Year 2004 property tax levies.

## HOW TO USE THIS BUDGET

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This document guide outlines the City of Tucson's Fiscal Years 2003 and 2004 Biennial Budget Recommended Update for Fiscal Year 2004. Copies of the budget are available at all branches of the Tucson-Pima Public Library, the University of Arizona Main Library, Pima Community College branch libraries, the City Clerk's Office, and the Department of Budget and Research. Information may be obtained by calling the Department of Budget and Research at (520) 791-4551 or e-mailing the department at [budget&research@ci.tucson.az.us](mailto:budget&research@ci.tucson.az.us).

For Fiscal Year 2004 only one volume is used to present the recommended changes to the biennial budget. This document may be used with the adopted biennial budget document for Fiscal Years 2003 and 2004. The recommended update is organized as follows.

**City Manager's Message** - This section includes the letter from the city manager transmitting the biennial budget to the Mayor and Council and an overview of the budget. In the transmittal letter, the city manager highlights the key policy issues and programs in the biennial budget. The overview includes the following:

- General Purpose Funds Budget
- All Funds Budget
- Staffing
- Citizen Impacts

**Recommended Changes** - This section summarizes the changes from the approved Fiscal Year 2004 budget to the recommended budget for both revenues and expenditures. Major changes are highlighted for each department including reductions recommended to balance the budget.

**Legal Authorization** - State and local legal provisions are presented for the reader. The process for budget adoption, the setting of the property tax, a property tax summary, public hearings, and a summary of department expenditures are supplied.

**Community Statistical Profile** - This section of the summary provides the reader with demographic information on Tucson and benchmark information that compares Tucson to comparable cities in the region.

**Summary Information** - Schedules contained in this section provides summary level information on the consolidated (operating and capital) city budget. Expenditures and revenue information, descriptions of funds, debt service information, staffing histories, and pay scales are summarized here. This section is particularly helpful if the reader is interested in an overview of the city budget.

**Capital Budget Summary** - This section provides a summary of the first year, Fiscal Year 2004, of the Five-Year Capital Improvement Program.

**City Strategic Plan** - This section summarizes the strategic plan for the city including focus areas and the 17 Livable Tucson Goals that emerged from community discussions.

**Rio Nuevo** - This is a summary of the Rio Nuevo district budget. Rio Nuevo is not part of the city budget and is included for information purposes.

**Glossary** - The glossary defines terms and acronyms used in the budget.

**Index** - The index provides an alphabetical listing of the contents of the budget.





## Section A

# *City Manager's Message*

TRANSPORTATION



DOWNTOWN



GROWTH

ECONOMIC DEVELOPMENT



GOOD  
GOVERNMENT



NEIGHBORHOODS





## **OFFICE OF THE CITY MANAGER**

March 3, 2003

Honorable Mayor and Council Members:

After months of review and effort, I transmit to you the City Manager's Recommended Budget for Fiscal Year 2004. This is the second year of the Fiscal Years 2003 and Year 2004 Biennial Budget approved by the Mayor and Council last June.

This has been the most difficult budget year of my career. I am not alone. City managers, mayors and councils, and governors across the nation are dealing with the worst fiscal environment in 50 years. The budget is balanced, but it is not a budget that pleases me. It is a result of the reality of our difficult times.

As you know, we have used a different process and schedule this year, necessitated by the dire fiscal situation of the city and the state. At Council's direction, we began work sessions with Mayor and Council last fall. These sessions covered our emerging revenue and expenditure situation in some detail. We also presented "trial budgets" of the revenue and expenditure options we would consider, and sought Council direction and feedback.

As a result, both Mayor and Council and the community have been uniquely informed and involved this year in a complex task that is one of the City Manager's prime responsibilities under the Charter—preparing a recommended budget for the Council. This early involvement and option sharing in a public setting has allowed me to present a recommended budget that has no surprises or unfamiliar budget balancing ideas, despite the magnitude of our problems.

Unfortunately, as we finalized our recommendations over this past month, it became clear that further adjustments to both our revenue and expenditure projections for Fiscal Year 2004 were necessary to ensure accurate and prudent financial management. The deficit between revenue and expenditures in the General Fund for Fiscal Year 2004 has been increased to \$43 million. This is the gap that we must close through either expenditure cuts, revenue increases, or a combination of the two. The budget I am recommending to you does close that gap and is balanced.

The increase from \$35 million to \$43 million is due to the following adjustments. Sales tax revenues were adjusted downward by nearly \$3 million due to continuing sluggish growth in the current year. The reduction still anticipates a 4% increase over the current year. We must acknowledge that this could still be a rosy estimate of economic recovery, given the uncertainty in the world and the economy. To put this in perspective, sales tax revenues for the current year are coming in at a 2.3% annualized rate.

We also decreased our parks and recreation fee estimates, primarily backing off the across-the-board scheduled increase in fees dictated by Council direction to increase our cost recovery ratio to 30% over a five-year period. This added another \$3 million to the deficit.

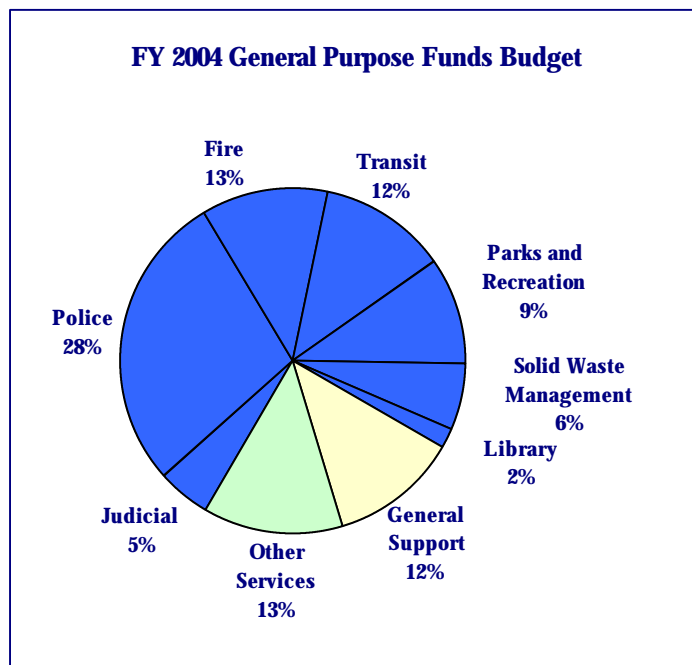
Finally, increased jailboard costs of \$1 million paid to the county and another \$1 million for health care cost increases make up the difference.

### Recommended Budget

The Fiscal Year 2004 General Purpose Funds Budget I am recommending totals \$382.4 million. This is a reduction of 5.3% and \$21.5 million from the Mayor and Council Approved Fiscal Year 2004 Budget and a reduction of almost \$8 million from the current year's budget. In order to balance the General Funds Budget, I am recommending the elimination of 139.5 positions. Ten other positions in Police are not eliminated but are not funded for the year. The position reductions to balance the budget are offset by the addition of 12 positions during Fiscal Year 2003.

The All Funds Budget for the city totals \$945.4 million. The operating budget has been reduced by \$13.7 million to \$688 million. The capital budget has increased, primarily due to carry forward from the current year.

In addition, the size of our government continues to shrink. The number of employees per capita is down to 11.2 per 1,000 compared to 12.3 per 1,000 just three years ago. This is a decline of 9%. If we look back further, our number of employees per capita is at its lowest point in at least ten years.



The fiscal crisis facing the city is most dramatically affecting General Purpose Funds which provide for the following core services of the city: *Police, Fire, Judicial Services, Parks and Recreation, Libraries, Solid Waste, and Transit*. Approximately 75% of the General Purpose Funds go to fund these key services.

Additionally, 13% of the General Fund provides funding for such *Other Services* as Mayor and Council, Planning, Development Services, Tucson Convention Center, and Neighborhood Resources.

Conclusion: when we add in significant Information Technology and Operations costs for fleet and building maintenance (included within the *General Support* area) that accrue to Police and Fire, almost 50% of the General Fund goes to Public Safety.

As we seek to minimize cuts to public safety when we balance the budget, it is difficult to cut \$43 million out of the remainder of the General Fund. If Public Safety was not cut at all, other services would have to absorb cuts of 20% to balance the budget. This means Parks and Recreation, Libraries, Solid Waste, and Transit--all services directly connected to quality of life in our city--would be cut dramatically.

## **Budget Balancing Strategy**

After careful and continuous review of those implications, I have settled on a series of recommendations that balances the Fiscal Year 2004 Budget using three strategies. First, I am recommending that the city not fund any pay raises for employees in Fiscal Year 2004. This includes cost-of-labor pay raises and merit pay increases for performance. This provides \$8.1 million of the needed \$43 million. Second, I propose a series of program and service cuts totaling \$21.1 million. These cuts include direct service reductions and reorganizations, consolidations, and streamlining for efficiency. Finally, the budget includes \$16.2 million in revenue increases through fee and tax increases to reduce the impact of further reductions on key city services. (The revenue increase nets out to \$14.4 million due to increased program spending of \$1.8 million, as a condition of two of the revenue increases.)

During the numerous citizen town halls sponsored by the Mayor with each Council Member and through the budget comment line and on-line discussions, it became clear that most of those citizens who have spoken out on our budget problem would prefer paying for some services the city provides, rather than having the service cut. Therefore, the recommended budget includes revenues that allow us to maintain some of these direct services without serious reductions. These services are concentrated in those areas that especially affect community quality and youth, in particular.

I believe that this budget takes an even-handed approach to resolving our very difficult fiscal problems for the upcoming year. At the same time it preserves our commitment to the strategic plan.

The recommendations are designed to minimize future damage, share the burden of the cuts among employees and the community, and across a broad array of service areas. The budget requires a significant internal focus on efficiency changes and consolidations to continue to provide service to our citizens. Most of the revenue recommendations are charges associated with maintaining a particular service.

At the same time, these recommendations do not advance us towards a permanent resolution of the city's systemic, structural fiscal problem. We will continue to have structural deficits in the next few years that will require more severe cuts unless we expand our revenue base.

## **Nature of the Budget Problem**

Across the nation, states and local governments are suffering through the worst financial crisis since World War II. While recent national media attention focuses on the plight of states and governors, all the problems of the states filter down to local governments and combine with our own concurrent revenue problems to create a very difficult situation. After all, cities are where people live and where their quality of life suffers when key city services and investments decline.

Arizona is one of the most financially troubled states in the nation. Tucson is one the most financially at-risk cities in the state. All medium to large cities in our state are having problems due to the economic downturn. We also have a *structural deficit* driven by unique local factors. We've discussed those problems before: the city-county fragmentation issue, the pattern of regional growth, the growing socio-economic divide between the city and the unincorporated county, our undiversified revenue system, our backlog of infrastructure and service needs stretching back many years, and demanding and challenging demographics. We're the 29<sup>th</sup> largest city in the nation, and we fund ourselves primarily with a single local revenue source, the sales tax, in tough economic times.

The Recommended Fiscal Year 2004 Budget I am presenting balances the budget. But we are not out of the woods. Far from it. We will face the need to cut another \$26 million from the General Fund in Fiscal Year 2005, followed by another \$12 million in Fiscal Year 2006. The total we will need to cut over the next three years is now \$81 million.



## **Details**

### **Expenditure Reductions**

We are cutting internal city operations and some direct services and programs to the public totaling \$21.1 million. This includes about \$7.4 million in one-time cuts, such as deferring purchase of new fire equipment, delays in opening new libraries and fire stations, deferral of the Mountain Avenue road project to fund Sun Tran, reduced landfill operations and maintenance, and deferrals of vehicle purchases.

Other reductions vary from eliminating future funding of the Back to Basics Program to requiring self-check out of books at libraries, to eliminating a range of service positions in Budget, Finance, City Manager's Office, and Human Resources, to cutbacks in Fleet Services, to reduced leisure class programs in Parks and Recreation, to cuts in economic development. Outside agency funding has been reduced by 10% except that human services funding has not been cut.

In all, 139.5 FTEs are eliminated. Another ten positions in Police are not funded for the next year. Most of these positions are vacant due to a hiring freeze in place since the fall of 2002. For those that are occupied, we are already engaged in the development of the *employee transition process* to transfer employees into vacant positions to avoid layoffs. This is one key reason for presenting the budget to the Council in March, with an end of April adoption date, so that we can ensure adequate time to reassign employees as much as possible and avoid layoffs of civil service employees.

### **Employee Pay Freeze**

The recommended budget cuts funding for all employee raises for Fiscal Year 2004. However, the city will pick up all of the pension and employee health care cost increases. This avoids a drop in take-home pay for city employees in a very challenging budget year.

### **Revenue Increases**

The recommended budget includes a number of fee increases and tax adjustments. First, I propose an increase in the city's primary property tax rate of 15 cents. (This yields \$4.6 million). This would cost a typical Tucson homeowner \$15 for the year. I have discussed this with and have the support of the Metropolitan Tucson Convention and Visitors Bureau (MTCVB) on a 2% bed tax increase, with a guaranteed portion of the revenue going to fund the MTCVB, and their removal from the outside agency funding process. (Yield \$2.4 million with a net of \$1.5 million).

I propose the addition of a \$2 per month charge to maintain the brush and bulky program in Solid Waste. This figure also allows some funding for enhanced neighborhood clean-ups throughout the year. (Yield net of \$2 million).

In place of the across-the-board Parks and Recreation fee increases, we have targeted fee increases totaling \$1 million. These place greater burdens on adult sports programs, non-resident charges, and attempt to keep youth charges low. Where there are some fees on youth activities, such as in the aquatics area, slight increases are proposed as an alternative to closing swimming pools. We will maintain the region's most wide-reaching and affordable after-school care and summer care program for children, KIDCO, by increasing registration fees. We have developed a plan to ensure that the most needy families continue to have access to KIDCO and to face only very modest increases through a sliding scale. Recreation center hours are also not cut under this proposal. Parks and Recreation staff will also more aggressively market the use of some of our facilities to the private sector to generate additional revenues.

Also, a miscellaneous array of fee increases in courts, development services, and other miscellaneous services are added. (Yield \$4.6 million). Finally, the budget presumes Pima County would fund an additional \$700,000

in libraries through either a Library District Tax increase of about 1.5 cents, or provide the funding from the District's fund balance. This avoids further library job reductions and cutting back library hours.

With these revenue increases, the increase for a typical homeowner's bill for city services will increase \$2.30 per month, from \$56.56 to \$58.86. (The net increase for the property tax is approximately \$3.67 for the year for at least 77% of our property owners who reside within the Tucson Unified School District.)

### **Where Do We Go From Here?**

Over the next two months the Council will deliberate, modify, and adopt a final budget. Adherence to the adopted schedule is critical to effective management of cutbacks and readiness for the new budget year, especially in avoiding layoffs. Also, adherence to the Council's budget process policies will greatly enhance responsible decisions in balancing the budget.

It is important that we remember that we have a profound structural budget problem and that will be with us for several more years. It is important that Council focuses on the whole picture and remembers the future and avoids one-time budget fixes or accounting schemes.

I also hope that the Council will unite on this budget to demonstrate the importance of managing this crisis for the overall well-being of the city. We must be working together to solve our budget problems. The community will benefit.

It is becoming increasingly difficult to believe we can continue to reduce our budgets and our services and feel that we are moving the city forward. You and I can't be happy with the prospects for our future if we continue on this path. After the Fiscal Year 2004 Budget is balanced, we'll need to turn our attention to the following years. There are needed services and investments that we have avoided for a long time which we must make. We must ensure that we have a competent, well-trained work force that is competitively compensated. And we must add, once and for all, some of the revenue options used by other cities in our state to ensure a more livable city.

I want to thank Ned Zolman and the Budget office staff for all their work, along with Kay Gray and Scott Douthitt of Finance. I also want to thank the entire Executive Leadership Team, which has worked hard all year on putting together these recommendations. Finally, I want to thank all city employees, who have also been important to this process, our recommendations, and upon whom we'll all depend in the future to help transform our city into a Top Ten City.

We have a huge task ahead of us which requires leadership, vision, reality, ethics, and courage. I look forward to working with Mayor and Council to balance this year's budget and prepare for our future.

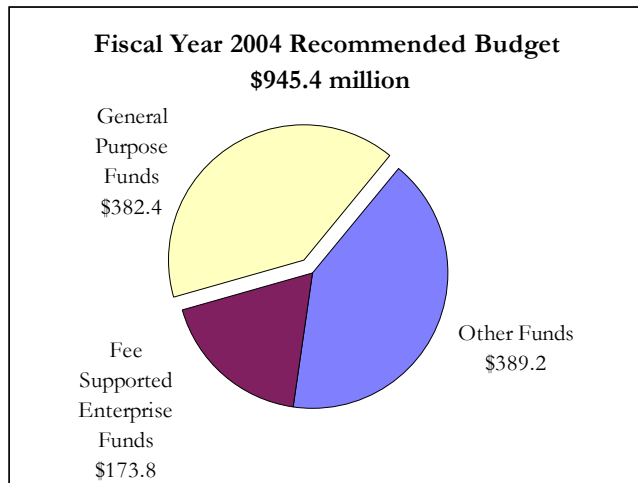
Respectfully Submitted,



James Keene  
City Manager

## BUDGET OVERVIEW

The Tucson City Charter requires that the City Manager submit a recommended budget to the Mayor and Council on or before the first Monday in May for the following fiscal year. The Mayor and Council review the City Manager's recommended budget and are required by the State of Arizona to adopt a balanced budget on or before the third Monday in August. For Fiscal Year 2004, the recommended budget is being submitted to the Mayor and Council on March 3. The Mayor and Council are scheduled to adopt the budget on April 28.



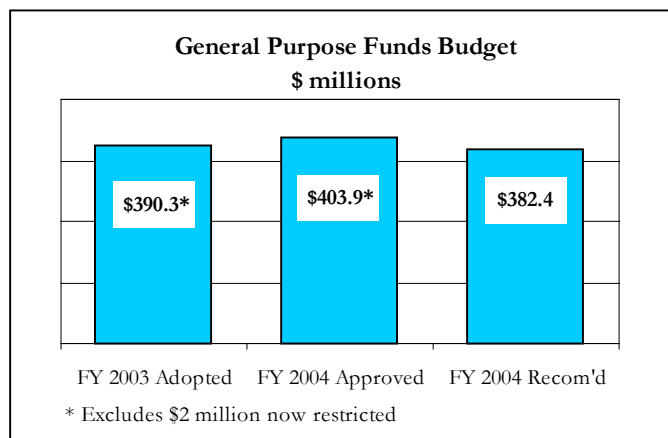
The Fiscal Year 2004 budget is the second year of the biennial budget for Fiscal Years 2003 and 2004. The recommended update to the approved Fiscal Year 2004 budget totals \$945.4 million. Only 40% is made up of general purpose funds. The remaining 60% consists of enterprise funds and other restricted funds.

This Budget Overview, which summarizes the recommended update to the Fiscal Year 2004 budget, is organized into four sections:

- General Purpose Funds Budget
- All Funds Budget
- Staffing
- Citizen Impacts

## GENERAL PURPOSE FUNDS BUDGET

The city's total budget is the sum of the General Purpose Funds Budget and the Restricted Funds Budget. The General Purpose Funds Budget contains the funds that the Mayor and Council have full discretion to allocate. It is used for basic city services, such as police and fire protection, mass transit service, solid waste collection and recycling, parks, and libraries.



For Fiscal Year 2004, the General Purpose Funds Budget will total \$382.4 million. That is a decrease of \$21.5 million from the approved Fiscal Year 2004 budget, and a decrease of \$7.9 million from the Fiscal Year 2003 Adopted Budget.

Like many state and local governments, the city is experiencing a significant decline in revenues and made significant reductions the Fiscal Year 2004 budget to bring it into balance.

## Projected Budget Deficits

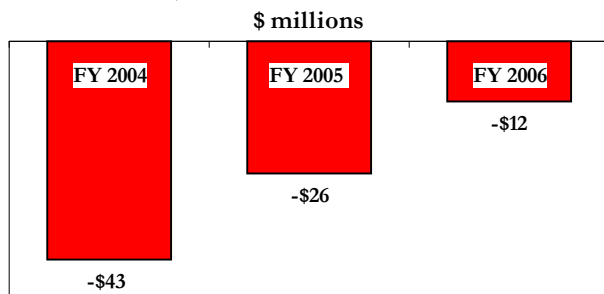
The budget process for Fiscal Year 2004 began with the development of the Fiscal Years 2003 and 2004 Biennial Budget. When Mayor and Council adopted the Fiscal Year 2003 Budget in June 2002, a Fiscal Year 2004 Budget was also approved. At that time, the Fiscal Year 2004 Approved Budget was not balanced; it had a deficit of \$10 million in the General Purpose Funds Budget.

**Projected Deficit of \$43.6 million for FY 2004:**

<u>Millions</u>	
\$ (10.0)	Deficit from FY 2004 Approved Budget
(13.8)	Decreased state sales tax and income tax
(8.4)	Increased pension and medical costs
(6.4)	Decreased city sales tax collection
(3.2)	Decrease in parks-related fees
(1.2)	Decreased bed tax receipts
<u>(0.6)</u>	Other expenditure and revenue changes
\$ (43.6)	Projected FY 2004 Deficit

**Fiscal Year 2004 Deficit.** As revenue and expenditure projections were revised in preparation for a recommended Fiscal Year 2004 budget, the \$10 million deficit grew to \$43.6 million.

Most of the increase is due to revised revenue projections for city sales tax and state-shared sales and income taxes. The national economy has suffered a downturn which impacts directly on income earnings and consumer spending, which translates to reduced sales and income tax receipts. Increased pension and medical costs have also increased consistent with national trends.

**Projected Deficits Over 3 Years**

**Three Year Problem.** The city is not just facing a \$43.6 million deficit in Fiscal Year 2004. Due to inflation and other commitments, a \$81 million shortfall is projected over the next three years.

The deficit projections for Fiscal Years 2005 and 2006 assume that most changes made to balance the Fiscal Year 2004 budget are permanent and ongoing. Using one-time solutions will increase the magnitude of the future deficits.

**Balancing the Fiscal Year 2004 Budget**

	<u>Millions</u>
<b>Opening Deficit</b>	<b>\$ (43.6)</b>
<b>Expenditure Solutions:</b>	
Defer employee pay increases	8.1
One-time reductions	7.4
Internal service reductions	5.3
Organization and process change cuts	3.0
Program reductions	4.6
Other miscellaneous reductions	<u>0.8</u>
	<b>29.2</b>
<b>Revenue Solutions:</b>	
Primary property tax raised to maximum	4.6
2% bed tax increase	1.5
New brush and bulky fee	2.0
Solid Waste fee increases	1.5
City Court revenue increase	1.5
Parks fee increases	1.0
Development fee and revenue increases	0.7
Pima County contribution increase	0.7
Other miscellaneous changes	<u>0.9</u>
	<b>14.4</b>
<b>Closing Deficit</b>	<b>\$ -0-</b>

**Addressing the Fiscal Year 2004 Deficit.** To develop a balanced budget recommendation for Fiscal Year 2004, permanent and ongoing expenditure reductions and revenue increase options were presented to Mayor and Council at two budget workshops. The presented options ranged from employee compensation adjustments to reductions in public services.

To bring the opening deficit of \$43.6 million down to zero, a mix of expenditure and revenue solutions are included in the Fiscal Year 2004 Recommended Budget.

Expenditure Solutions: Cuts totaling \$29.2 million were taken from department expenditures: \$8.1 million saved by deferring employee pay increases for a year, \$13.7 million reduced through permanent cuts, and \$7.4 million from one-time cuts.

In balancing the budget, every effort was made to limit the impact on the public services. As a result, \$8.3 million in reductions are through internal organization and process changes (\$3.0 million) and reductions in internal services (\$5.3 million). Program reductions that will directly impact the



public total \$4.6 million including Parks and Recreation programs such as leisure classes, consumer affairs services, and Back to Basics funding. One-time reductions include delayed projects such as new library branches and a new fire station, as well as deferring vehicle and equipment replacement. Reductions to department budgets are discussed in Section B.

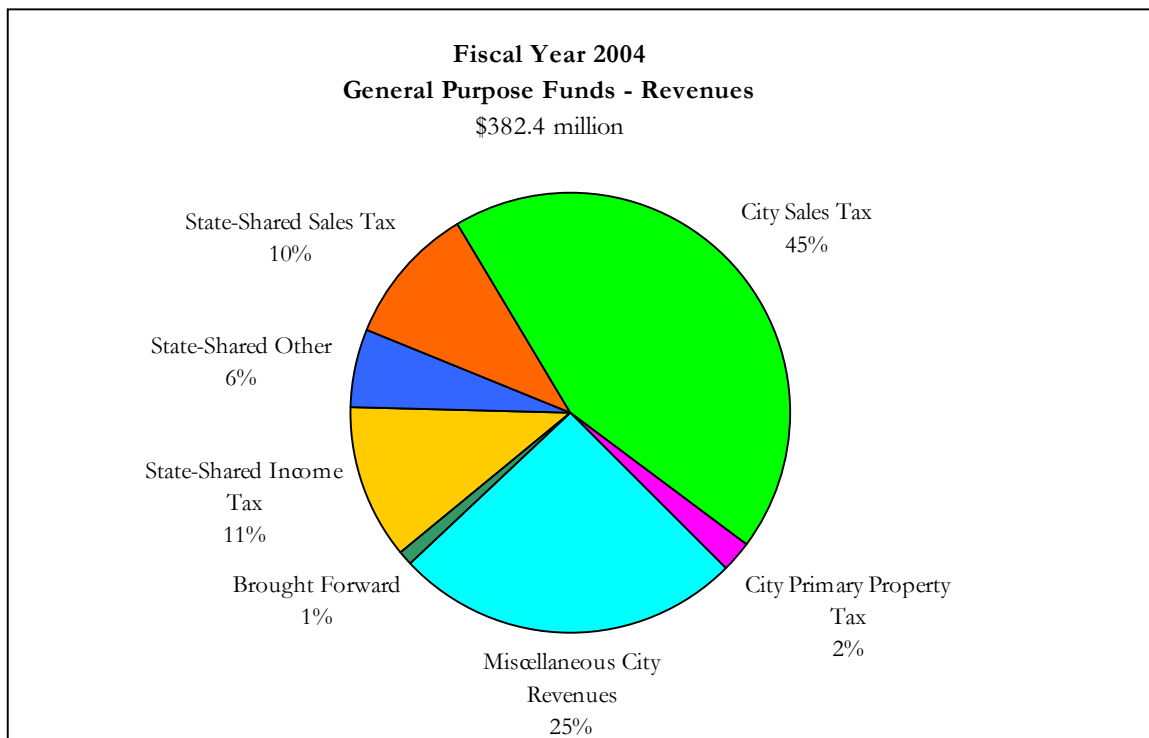
Revenue Solutions: Most of the revenue increases come from taxes and fees. These revenue increases will generate \$16.2 million in additional revenues; however, \$1.8 million in related expenditures result in a net of \$14.4 million. Revenues were looked at only after it became apparent that continuing to balance the budget through service reductions would seriously impact the community.

The following revenue increases are recommended. Raising the primary property tax 15 cents to the maximum will bring in \$4.6 million. Increasing the bed tax by 2% reduces the deficit \$1.5 million (\$2.4 million in revenue less \$0.9 million in added contributions to the Metropolitan Tucson Convention and Visitors Bureau). A new fee for brush and bulky service will generate a net of \$2 million (\$2.9 million in revenue less increased expenditures of \$0.9 million). Other fee increases and fee structure changes are in parks fees, landfill tipping fees, commercial refuse collection fees, and zoning fees. The Pima County contribution increase will come from the city's request for an increase of 1.5 cents (per \$100 of assessed valuation) to the county's Library District property tax rate.

Even with these new revenues, the city's General Purpose Funds Budget for Fiscal Year 2004 will drop below the Fiscal Year 2003 Adopted Budget. The new revenues just make up for the anticipated losses in state-shared taxes and city sales tax.

## General Purpose Funds Budget – Where the Money Comes From

Funding that can be used for general purposes comes either from city-generated revenue or state-shared revenue. In total, General Purpose Funds Budget revenues have decreased by \$11.5 million from the approved budget for Fiscal Year 2004. That decline, added to the \$10 million deficit in the approved budget, brings the total General Purpose Funds Budget decrease to \$21.5 million.

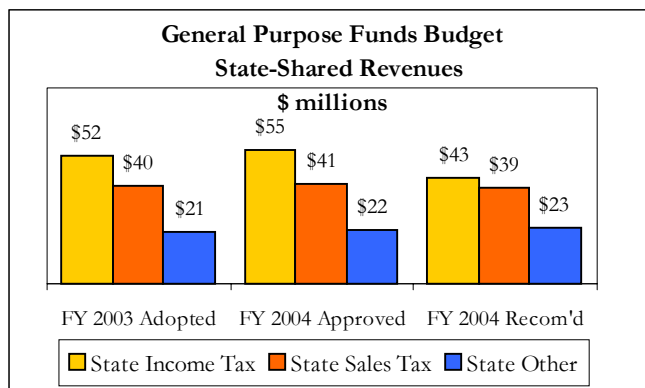


\*TEAM (Transportation Enterprise Area Management) parking revenues of \$2 million have been recategorized from General Purpose Funds to Restricted Funds

<b>General Purpose Funds Budget – Revenues</b>				
(\$ millions)	Adopted FY 2003	Approved FY 2004	Recom'd FY 2004	FY 2004 Changes
State-Shared Revenues:				
Income Tax	\$ 52.4	\$ 54.6	\$ 43.4	(11.2)
Sales Tax	39.5	41.5	38.9	(2.6)
Other	<u>21.2</u>	<u>21.6</u>	<u>22.9</u>	<u>1.3</u>
<b>State-Shared Sub-Total</b>	<b>113.1</b>	<b>117.7</b>	<b>105.2</b>	<b>(12.5)</b>
City Revenues:				
Sales Tax	166.3	174.6	168.2	(6.4)
Primary Property Tax	4.6	3.9	8.5	4.6
Other	<u>91.0</u>	<u>96.1</u>	<u>96.7</u>	<u>0.6</u>
<b>City Sub-Total</b>	<b>261.9</b>	<b>274.6</b>	<b>273.4</b>	<b>(1.2)</b>
Brought Forward	15.3	1.6	3.8	2.2
<b>Total*</b>	<b>\$ 390.3</b>	<b>\$ 393.9</b>	<b>\$ 382.4</b>	<b>\$ (11.5)</b>
<b>Deficit</b>	<b>-0-</b>	<b>10.0</b>	<b>-0-</b>	<b>\$ (10.0)</b>

### Revenue Changes – General Purpose Funds Budget

Following are brief explanations of the revenue differences between the Fiscal Year 2004 Recommended Budget and the Fiscal Year 2004 Approved Budget. For more detail, see Section E.

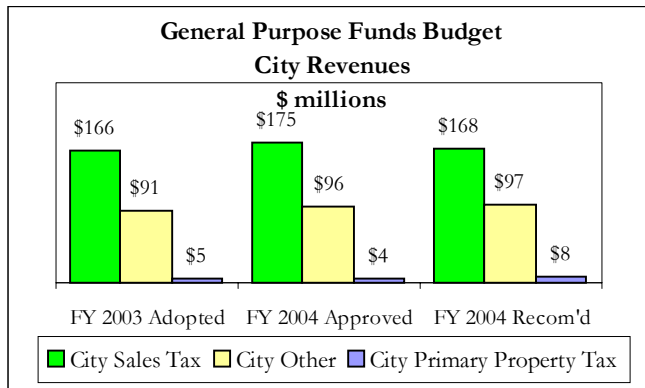


**State-Shared Revenues.** Annually, the State of Arizona distributes a portion of its revenue receipts to cities and counties. The state-shared revenues that are used by the city for general purposes are state income tax, state sales tax, state auto lieu tax, and lottery proceeds. These revenues account for approximately 27% of the General Purpose Funds Budget.

For the Fiscal Year 2004 Recommended Budget, state-shared revenues are projected at \$105.2 million. The decrease of \$12.5 million is 11% less than in the approved budget for Fiscal Year 2004.

The most significant component of that decrease is a loss of \$11.2 million in state-shared income taxes. State-shared income taxes are based on state income tax revenue from two years earlier, which was during the most severe period of the economic downturn. State-shared sales taxes are projected to be \$2.6 million less than in the Fiscal Year 2004 Approved Budget, offset by an increase of \$1.3 million in other state-shared revenues (auto lieu tax and lottery proceeds).

The state-shared revenue estimates for Fiscal Year 2004 assume that there will be no changes to the state's distribution formulas. No changes have been proposed to date, but the city will continue to monitor the state's budget balancing process.



**City Revenues.** City-generated revenues account for 72% of the General Purpose Funds Budget. The total of \$273.4 for the Fiscal Year 2004 Recommended Budget is a decrease of \$1.2 million.

Most of the city-generated revenue for the General Purpose Funds Budget comes from the city's sales tax (business privilege tax). For Fiscal Year 2004 Recommended Budget, these receipts are estimated at \$168.2 million. Due to the economic slowdown, that amount is \$6.4 million less than in the Fiscal Year 2004 Approved Budget.

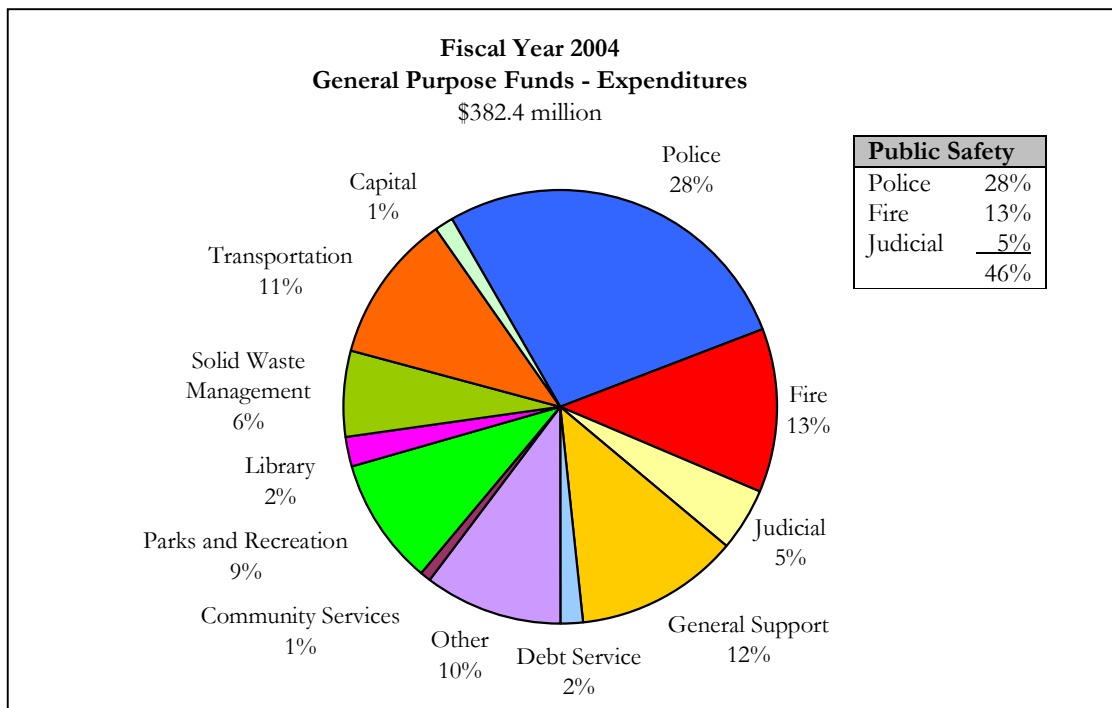
To make up for most of that shortfall, it is recommended that the primary property tax be raised to the maximum of \$8.5 million. This increase will bring in an additional \$4.6 million. Another \$0.6 million is anticipated from other fee and tax increases.

**Brought Forward.** This category contains revenue from funds carried forward from Fiscal Year 2003 or use of fund balance. For Fiscal Year 2004, the Brought Forward total of \$3.8 million is an increase of \$2.2 million from the approved budget. A total of \$1.6 million is being carried forward for capital projects that will not be completed as planned, and \$0.6 million is from prior years.

**Deficit.** The approved budget for Fiscal Year 2004 was short \$10 million in revenues. For the recommended budget, that amount was brought down to zero.

## General Purpose Funds Budget – Where the Money Goes

The General Purpose Funds Budget primarily pays for the operating expenses of basic municipal services. As noted earlier, the General Purpose Funds Budget has decreased by \$21.5 million from the approved budget for Fiscal Year 2004 and \$7.9 million from the Fiscal Year 2003 Adopted Budget.



<b>General Purpose Funds Budget – Expenditures</b>				
(\$ millions)	Adopted FY 2003	Approved FY 2004	Recom'd FY 2004	FY 2004 Changes
Police	\$ 101.3	\$ 106.7	\$ 105.0	\$ (1.7)
Fire	47.0	49.9	46.9	(3.0)
Judicial	<u>18.3</u>	<u>19.0</u>	<u>17.6</u>	<u>(1.4)</u>
Public Safety Sub-Total	166.6	175.6	169.5	(6.1)
Transportation	41.7	43.5	42.6	(0.9)
Community Services	3.0	4.0	3.7	(0.3)
Parks and Recreation	38.0	39.2	36.0	(3.2)
Solid Waste Management	25.5	24.9	24.1	(0.8)
Library	9.7	10.2	8.9	(1.3)
General Support	50.6	51.8	47.3	(4.5)
Debt Service	7.0	8.1	6.2	(1.9)
Other	<u>40.6</u>	<u>41.3</u>	<u>39.0</u>	<u>(2.3)</u>
Operating Budget	382.7	398.6	377.3	(21.3)
Capital Budget	<u>7.6</u>	<u>5.3</u>	<u>5.1</u>	<u>(0.2)</u>
<b>Total</b>	<b>\$ 390.3</b>	<b>\$ 403.9</b>	<b>\$ 382.4</b>	<b>\$ (21.5)</b>
% Change		3%	(5%)	

### Reductions to Balance the Budget

During the budget balancing process, the goals were to make permanent cuts and to keep public service reductions to a minimum. Expenditures were reduced by \$29.2 million, including \$8.1 million by deferring salary increases in Fiscal Year 2004 and \$21.1 million in reductions to department budgets. Seventy-five percent (75%) of the expenditure reductions are permanent cuts, and only 16% of the total reductions are in public service cuts. The following table groups the nature of the reductions for each department or department category. For more detail, see the individual department pages in Section B.

<b>Summary of Reductions to Balance the Budget</b>						
(\$ millions)						
	Program Reductions	One-time	Internal Service	Org & Process	Other	Total
Police	0.6			0.5	0.2	1.3
Fire		1.7			0.1	1.8
Judicial	0.5			0.4		0.9
Transportation*		2.6		0.4		3.0
Community Services	0.2					0.2
Parks	1.3			0.6		1.9
Library		0.3		0.1		0.4
Solid Waste	0.3	0.3			0.1	0.7
Debt Service		0.6				0.6
General Support		1.7	4.7	0.3		6.7
Other	1.2	0.2	0.6	0.7	0.4	3.1
Capital	0.5					0.5
<b>Total</b>	<b>4.6</b>	<b>7.4</b>	<b>5.3</b>	<b>3.0</b>	<b>0.8</b>	<b>21.1</b>

\*The \$3 million in General Purpose Funds reductions in Transportation are expenditure transfers to the Restricted Funds Budget.



## **Expenditure Changes – General Purpose Funds Budget**

Changes by department or department category, from the Fiscal Year 2004 Approved Budget to the Fiscal Year 2004 Recommended Budget, are briefly noted below. Generally, department changes are a combination of reductions to balance the budget and adjustments for no employee salary increases in Fiscal Year 2004, which are partially offset by increased pension costs. For more detail, see the individual department pages in Section B.

### **Operating Budget Changes**

**Police.** The department's reduction of \$1.7 million is primarily from the \$1.3 million in cuts to balance the budget including \$0.6 million in funding for police officers. The deferral of employee pay increases further reduced the budget by \$3 million. Reductions in charges from support departments contributed \$1 million. These reductions were offset by \$2.6 million in increased pension costs and an additional \$1 million for jail board costs.

**Fire.** Fire's reduction of \$3 million is partially due to cuts to balance the budget of \$1.8 million, primarily due to delayed opening of a new fire station and deferring fire apparatus replacement. The remaining \$1.2 million reduction is net of adjustments in employee pay and increased pension costs.

**Judicial.** This category includes City Court, City Attorney, and Office of the Public Defender. The reduction of \$1.4 million is primarily due to reductions of \$0.9 million to balance the budget, which includes the elimination of the Consumer Affairs Division. The remaining \$0.5 million reduction is net of adjustments in employee pay and increased pension costs.

**Transportation.** The department's decrease of \$0.9 million from the approved Fiscal Year 2004 budget is due to several components. Budget balancing cuts account for \$3 million of the decrease. Positions transferred to other departments contributed another \$0.5 million. These decreases are offset by additional funds of \$1.5 million for enhanced Van Tran service and \$1.1 million transferred from the capital budget for accounting purposes.

**Community Services.** Community Services reduction of \$0.3 million is primarily due to budget balancing cuts of \$0.2 million. The remaining \$0.1 million reduction is net of adjustments in employee pay and increased pension costs.

**Parks and Recreation.** The department's reduction of \$3.2 million is due to cuts of \$1.9 million to balance the budget, which includes \$1.3 million in services such as leisure classes and maintenance of parks and equipment used by the public. The remaining \$1.3 million reduction is net of adjustments in employee pay and increased pension costs (-\$0.8 million) and reduced charges from support departments (-\$0.5 million).

**Solid Waste Management.** Solid Waste's reduction of \$0.8 million is primarily due to cuts to balance the budget of \$0.7 million. The remaining \$0.1 million reduction is due to two components: an increase for the Brush and Bulky program (+\$0.9 million) and reductions net of adjustments in employee pay and increased pension costs (-\$1 million). The increase in the Brush and Bulky program will enhance services such as neighborhood clean-up.

**Library.** The department's reduction of \$1.3 million is due to cuts to balance the budget of \$0.4 million, mostly due to delayed opening of new libraries, and the transfer of \$0.7 million to county funding. The remaining \$0.2 million reduction is primarily net of employee pay adjustments and increased pension costs.

**General Support.** This category includes the City Manager's Office, City Clerk, and support services departments: Budget, Finance, Human Resources, Information Technology, Operations, and Procurement.

This category has a budget decrease of \$4.5 million. Cuts to balance the budget account for \$6.7 million of that decrease. The deferral of employee pay adjustments, partially offset by increased pension costs, reduced the budget an additional \$1 million. These reductions are offset by increases totaling \$3.2 million: fewer charge outs to line departments (+\$2.2 million), purchase of a web-based financial system (+\$0.9 million), and miscellaneous other changes (+\$0.1 million).

**Debt Service.** The debt service reduction of \$1.9 million is due to cuts to balance the budget of \$0.6 million and the rescheduling of capital projects based on project schedules for \$1.3 million.

**Other.** All remaining departments and offices are included in this category: Mayor and Council, Development Services, Environmental Management, Comprehensive Planning Task Force, Neighborhood Resources, Economic Development, Tucson Convention Center, Golf, Independent Police Auditor, Zoning Examiner, Tucson-Mexico Trade Office, Intergovernmental Relations, and Non-Departmental.

This category's budget decreased by \$2.3 million. Budget balancing cuts account for \$3.1 million of the decrease, including \$1.2 million in program cuts that have a community impact such as outside agency funding, youth employment, and civic events. The deferral of employee pay adjustments, partially offset by increased pension costs, further reduced the budget by \$3.6 million. These reductions are offset an additional \$0.9 million for the Metropolitan Tucson Convention and Visitors Bureau, \$1.0 million due to the transfer of positions to the Comprehensive Planning Task Force from other departments, \$3 million in capacity for increased medical insurance costs, and \$0.5 million in miscellaneous changes.

#### **Capital Budget Changes**

There is a decrease of \$0.2 million for capital projects, which is primarily due to a \$0.5 million reduction in funding for the Back to Basics project to balance the budget.

## ALL FUNDS BUDGET

The All Funds Budget includes all funding sources: general purpose funds and restricted funds.

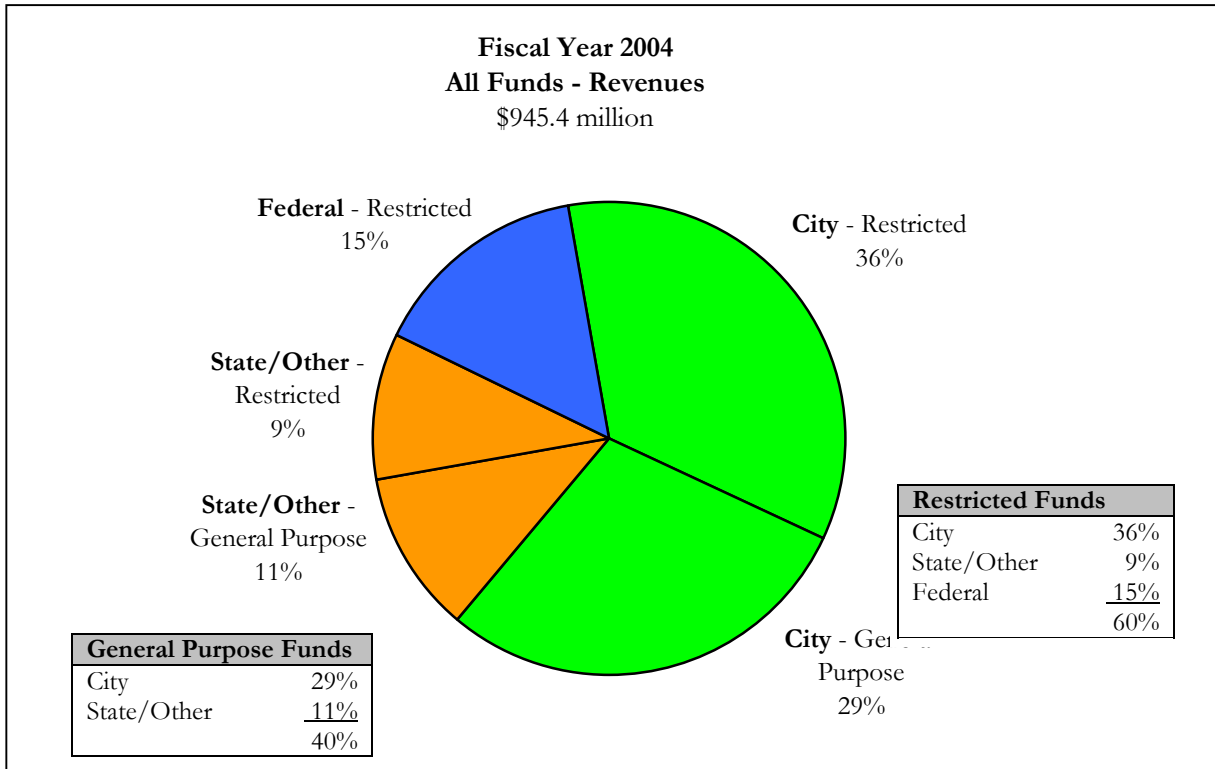
<b>All Funds Budget Appropriation Comparison</b>				
\$ millions	Adopted FY 2003	Approved FY 2004	Recom'd FY 2004	FY 2004 Changes
Operating	\$ 676.9	\$ 701.7	\$ 688.0	\$ (13.7)
Capital	<u>258.6</u>	<u>178.2</u>	<u>257.4</u>	<u>79.2</u>
Total	\$ 935.5	\$ 879.9	\$ 945.4	\$ 65.5

The All Funds Budget recommended for Fiscal Year 2004 totals \$945.4 million, an increase of \$65.5 million from the approved budget: \$13.7 million decrease in the operating budget due to budget reductions and \$79.2 million increase in the capital budget due to the carry forward of projects from Fiscal Year 2003.

Sixty percent (60%) of the All Funds Budget is from Restricted Funds Budget and 40% is from the General Purpose Funds Budget. As discussed earlier in this overview, the General Purpose Funds Budget has decreased by \$21.5 million from the approved budget. Therefore, the added \$65.5 million in the All Funds Budget is from the Restricted Funds Budget, which has increased by \$87 million. That increase is primarily due to restricted funds carried forward for capital projects that will not be completed as planned.

### All Funds Budget – Where the Money Comes From

The city's budget has three sources of funding: (1) revenues generated by the city, (2) grants and contributions from state and other local agencies, and (3) federal grants. All federal revenues are restricted. City and state/other revenues are a mix of restricted funds and general purposes funds.

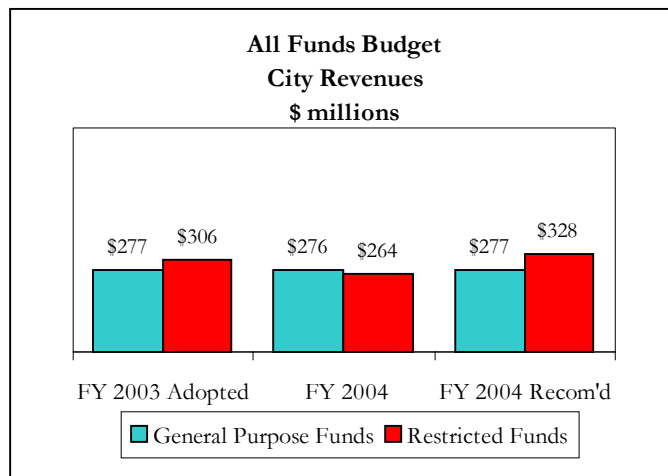


<b>All Funds Budget – Sources of Revenues</b>				
(\$ millions)	Adopted FY 2003	Approved FY 2004	Recom'd FY 2004	FY 2004 Changes
City	\$ 582.6	\$ 539.7	\$ 605.2	\$ 65.5
State/Other	216.6	206.7	197.7	(9.0)
Federal	<u>136.3</u>	<u>123.5</u>	<u>142.5</u>	<u>19.0</u>
<b>Total</b>	<b>\$ 935.5</b>	<b>\$ 869.9</b>	<b>\$ 945.4</b>	<b>\$ 75.5</b>
<b>Deficit</b>	<b>-0-</b>	<b>10.0</b>	<b>-0-</b>	<b>(10.0)</b>
Restricted	\$ 545.2	\$ 476.0	\$ 563.0	\$ 87.0
General Purpose	<u>390.3</u>	<u>393.9</u>	<u>382.4</u>	<u>(11.5)</u>
<b>Total</b>	<b>\$ 935.5</b>	<b>\$ 869.9</b>	<b>\$ 945.4</b>	<b>\$ 75.5</b>
<b>Deficit</b>	<b>-0-</b>	<b>10.0</b>	<b>-0-</b>	<b>(10.0)</b>

### Revenue Changes – All Funds Budget

Following are brief explanations of the revenue differences between the Fiscal Year 2004 Recommended Budget and the Fiscal Year 2004 Approved Budget. For more detail, see Section B and Section E.

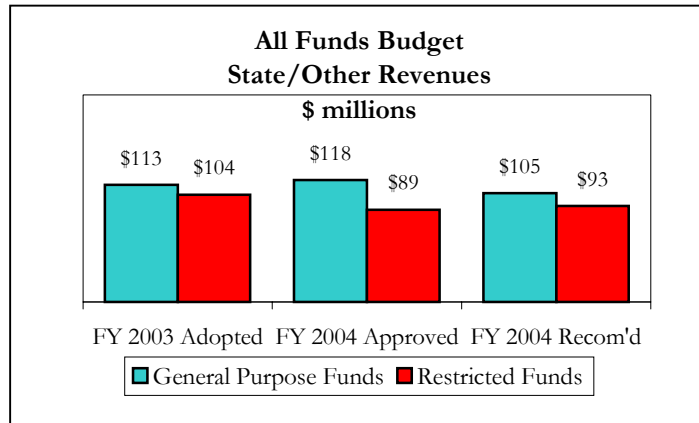
**City Revenues.** Most of the increase in the Fiscal Year 2004 Recommended Budget comes from city-generated revenues, which total \$605.2 million or an increase of \$65.5 million over the approved budget.



Most of that increase is from a \$64.4 million increase in city-generated restricted funds, which is primarily due to carry-forward of \$57.7 million from bond funds, utility funds, non-bond debt funds, and reserves for capital projects that will not be completed as planned in the approved budget. The prop-osed increase in Tucson Water connection fees added another \$6.5 million. The remaining \$0.2 million is from miscellaneous other restricted sources.

City-generated general purpose funds, including brought forward, increased by \$1.0 million. The reduction in city sales tax of \$6.4 million is offset by an increase in the primary property tax of \$4.6 million and \$2.2 million in brought forward funds. Other city revenues had a net decrease of \$0.6 million.

**State/Other Revenues.** Revenues from the state and other local agencies total \$197.7 million in the recommended budget for Fiscal Year 2004 or a decrease of \$9 million from the approved budget.



That decrease is primarily due to a decrease of \$12.5 million in general purpose funds, including \$11.2 million in state-shared income tax and \$2.6 million in state-shared sales tax. Those reductions are offset by increases from state-shared auto lieu taxes and lottery proceeds totaling \$1.3 million.

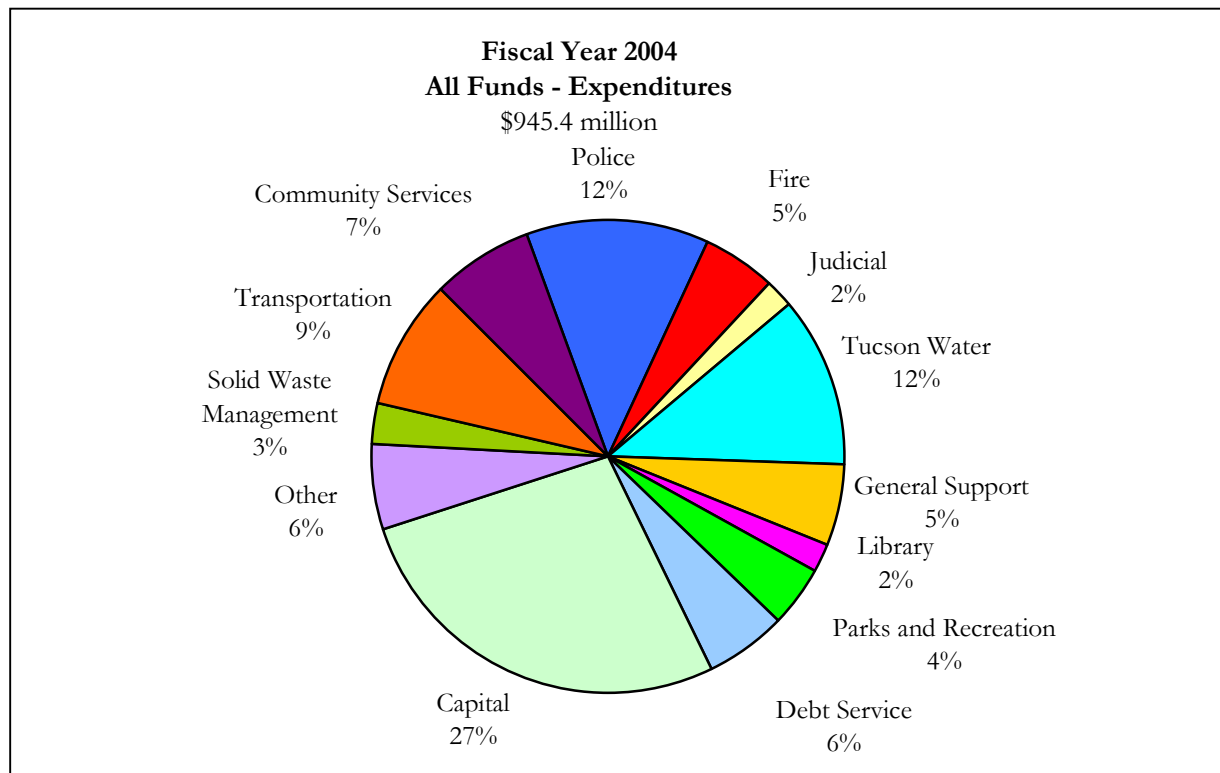
There is an increase of \$3.5 million in restricted funds from state and other local agencies.

**Federal Revenues.** Federal revenues total \$142.5 million in the recommended budget for Fiscal Year 2004 or an increase of \$19 million. All federal funds are restricted.

The \$19 million increase is primarily due to carryforward of \$15.1 million for capital projects that will not be completed as planned in the approved budget. The remaining \$3.9 million increase results from the rescheduling of federal grant-funded projects.

## All Funds Budget – Where the Money Goes

The All Funds Budget contains funding for all operating budget and capital budget expenditures (except for non-city funds in improvement district projects). While the capital budget accounts for only 27% of the All Funds Budget, all of the \$65.5 million increase is attributable to capital budget expenditures, which increased \$79.2 million. The operating budget decreased 13.7 million primarily due to reductions in general purpose funds



<b>All Funds Budget – Expenditures</b>				
(\$ millions)	Adopted FY 2003	Approved FY 2004	Recom'd FY 2004	FY 2004 Changes
Police	\$ 113.9	\$ 118.9	\$ 117.5	\$ (1.4)
Fire	47.8	50.4	47.5	(2.9)
Judicial	<u>19.5</u>	<u>20.3</u>	<u>18.9</u>	<u>(1.4)</u>
Public Safety Sub-Total	181.2	189.6	183.9	(5.7)
Tucson Water	103.3	109.3	111.3	2.0
Transportation	75.5	77.9	84.4	6.5
Community Services	67.8	66.9	66.6	(0.3)
Parks and Recreation	39.4	40.6	38.1	(2.5)
Solid Waste Management	25.9	25.3	24.5	(0.8)
Library	20.4	21.3	19.6	(1.7)
General Support	53.2	55.4	50.8	(4.6)
Debt Service	51.3	56.4	52.4	(4.0)
Other	<u>58.9</u>	<u>59.0</u>	<u>56.4</u>	<u>(2.6)</u>
Operating Budget	676.9	701.7	688.0	(13.7)
Capital Budget	<u>258.6</u>	<u>178.2</u>	<u>257.4</u>	<u>79.2</u>
<b>Total</b>	<b>\$ 935.5</b>	<b>\$ 879.9</b>	<b>\$ 945.4</b>	<b>\$ 65.5</b>
% Change		(6%)	7%	

### Expenditure Changes – All Funds Budget

Following are brief explanations of the expenditure differences between the Fiscal Year 2004 Recommended Budget and the Fiscal Year 2004 Approved Budget. All department budget changes include reductions due to deferring employee salary increases, which are partially offset by increased pension costs. For more detail, see the individual department pages in Section B.

#### Operating Budget Changes

**Police.** This department's budget decreased by \$1.4 million. The deferral of employee pay increases reduced the budget by \$2.9 million. Budget balancing cuts further decreased the budget by \$1.3 million. An additional decrease of \$0.8 million resulted from reduced charges from support departments. These decreases are offset by increased pension costs of \$2.6 million and additional jail boarding costs of \$1 million.

**Fire.** The department's decrease of \$2.9 million is due to \$1.8 million in budget balancing cuts, \$2.1 million savings in employee salary adjustments, and the addition of \$1 million for increased pension costs.

**Judicial.** This category includes City Court, City Attorney, and Office of the Public Defender. The reduction of \$1.4 million is primarily due to reductions of \$0.9 million to balance the budget, which includes the elimination of the Consumer Affairs Division. The remaining \$0.5 million reduction is net of adjustments in employee pay and increased pension costs.

**Tucson Water.** The increase of \$2 million in Tucson Water's budget is primarily due to the transfer of \$2.6 million from the capital budget for accounting purposes. Increased pension costs added another \$0.4 million. Both these increases are offset by a savings of \$1 million for employee salary adjustments.

**Transportation.** This department's increase of \$6.5 million has several components. Since all of Transportation's reductions to balance the budget (\$3 million) were transfers from the General Purpose Funds Budget to the Restricted Funds Budget, they have no net impact on the All Funds Budget. Costs transferred from the capital budget for accounting purposes added \$5.6 million. Increased service hours for Van Tran added another \$1.5 million. The deferral of employee pay adjustments and other miscellaneous changes offset those increases by \$0.6 million.



**Community Services.** Community Services decrease of \$0.3 million is primarily due to budget balancing cuts of \$0.2 million. The remaining \$0.1 million reduction is net of adjustments in employee pay and increased pension costs.

**Parks and Recreation.** Most of Parks and Recreation's decrease of \$2.5 million is primarily due to budget balancing cuts of \$1.9 million. The deferral of employee pay increases reduced the budget an additional \$1 million. Revised charges from support departments further reduced the budget by \$0.5 million. These decreases are offset by increased pension costs of \$0.2 million and the transfer of grant capacity of \$0.7 million from the capital budget for accounting purposes.

**Solid Waste Management.** Solid Waste's reduction of \$0.8 million is primarily due to cuts to balance the budget of \$0.7 million. The remaining \$0.1 million reduction is due to two components: an increase for the Brush and Bulky program (+\$0.9 million) and reductions net of adjustments in employee pay and increased pension costs (-\$1 million).

**Library.** This department's budget decreased by \$1.7 million. Reductions to balance the budget include \$0.4 million of city general purpose funds and a matching \$0.4 million in county funds. The deferral of employee pay increases and miscellaneous adjustments reduced the budget an additional \$1.1 million. Increases totaling \$0.2 million from pension costs and the addition of four positions during Fiscal Year 2003 offset these reductions.

**General Support.** This category includes the City Manager's Office, City Clerk, and the support services departments: Budget, Finance, Human Resources, Information Technology, Operations, and Procurement.

This category has a budget decrease of \$4.6 million. Cuts to balance the budget account for \$6.7 million of that decrease. The deferral of employee pay increases reduced the budget an additional \$1.5 million. These reductions are offset by increases totaling \$3.6 million: fewer charge outs to line departments (+\$2.2 million), purchase of a web-based financial system (+\$0.9 million) and increased pension costs (+0.5 million).

**Debt Service.** The Debt Service budget includes those debt payments made by the general taxpayer; debt repayment for utilities (Tucson Water and Tucson City Golf) is excluded, because service users pay it. The Debt Service decrease of \$4 million is due to \$0.6 million from budget cuts and \$3.4 million in savings from the refunding of existing bond debt and the rescheduling of debt financing for capital projects.

**Other.** All remaining departments and offices are included in this category: Mayor and Council, Development Services, Environmental Management, Comprehensive Planning Task Force, Neighborhood Resources, Economic Development, Tucson Convention Center, Golf, Independent Police Auditor, Zoning Examiner, Tucson-Mexico Trade Office, Intergovernmental Relations, and Non-Departmental.

This category's budget decreased by \$2.6 million. Budget balancing cuts account for \$3.1 million of the decrease, and the deferral of employee pay increases and other miscellaneous changes further reduced the budget by \$4.7 million. These reductions are offset by increased pension costs of \$0.3 million, an additional \$0.9 million for the Metropolitan Tucson Convention and Visitors Bureau, \$1.0 million due to the transfer of positions to the Comprehensive Planning Task Force, and \$3 million in capacity for increased medical insurance costs.

### **Capital Budget Changes**

The capital budget increase of \$79.2 million is primarily due to funds carried forward from Fiscal Year 2003 for projects that will not be completed (+\$86.9 million). An offsetting decrease of \$7.7 million is primarily due to the transfer of recurring expenditures to the operating budget and \$1.1 million reductions in the Back to Basics program.

## State-Set Expenditure Limit

Tucson, like all Arizona cities, is subject to a spending limit imposed by the state constitution. For revenues that are subject to the limitation, the Mayor and Council's adopted budget cannot exceed the expenditure limitation regardless of how much money may be available. Excluded from the limitation are funding sources such as bond proceeds and related debt service, interest earnings, and federal grants.

<b>State-Set Expenditure Limit for the City of Tucson</b>		
(\$ millions)	Adopted FY 2003	Recom'd FY 2004
Budgeted Expenditures	\$ 935.5	\$ 945.4
Less Exclusions	<u>(431.5)</u>	<u>(436.4)</u>
Subject to Spending Limit	\$ 504.0	509.0
EEC Official Limit	\$ 501.0	\$ 516.0
EEC Adjusted Limit	\$ 535.1 <sup>1</sup>	
Under/(Over) Official Limit	\$ (3.0)	\$ 7.0
Under/(Over) Adjusted Limit	\$ 31.1	

<sup>1</sup>For Fiscal Year 2003, the state granted a one-time adjustment to all cities. If the city expends over the official but under the adjusted limit, the penalty will be \$100.

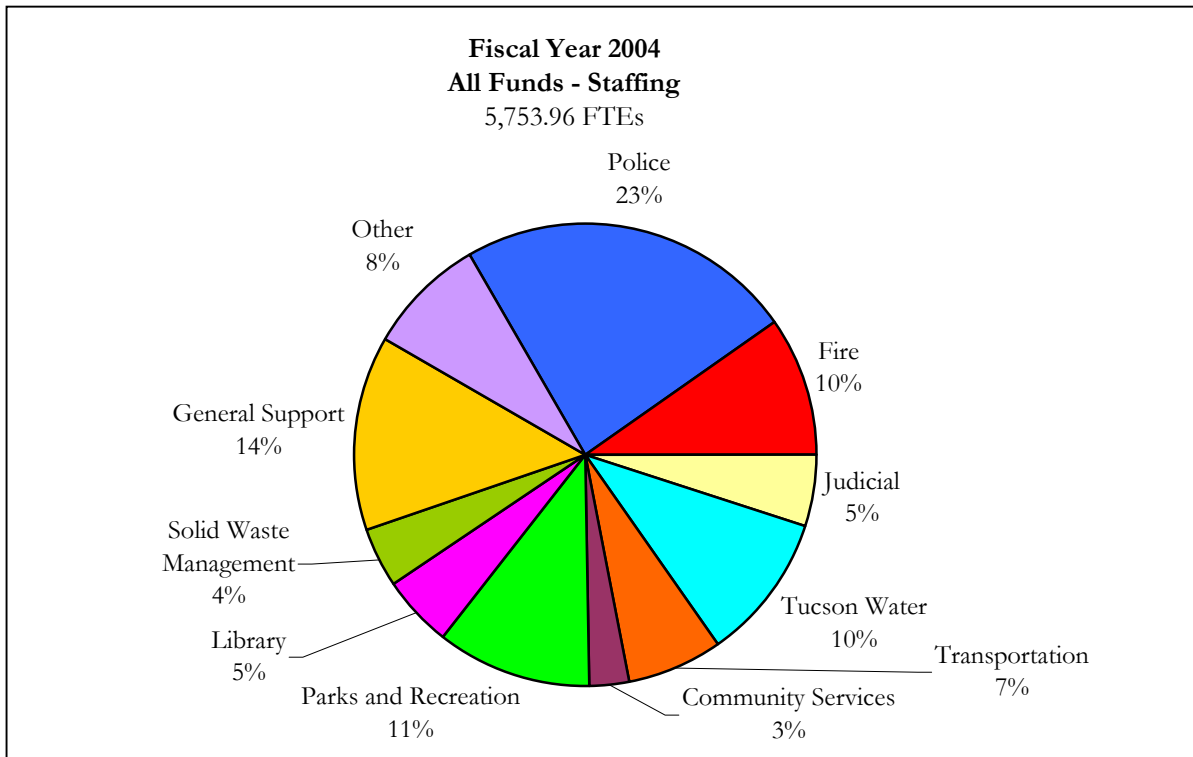
Each year the spending limit is set by the state's Economic Estimates Commission (EEC), which takes into consideration annual population growth and inflation.

Cities are allowed to override the EEC spending limit only with prior approval of the voters. In 1987, the voters of Tucson authorized an override of \$46.9 million for public safety, recreation, and transportation services. With this override, the city has been able to stay under the state-set spending limit.

For Fiscal Year 2004, the recommended budget will be under the state's official spending limit by \$7 million.

## STAFFING

The number of city employees in the recommended budget for Fiscal Year 2004 totals 5,753.96, a decrease of 127.5 full-time equivalent (FTE) positions from the approved budget. The reduction in positions is primarily due to 139.5 positions eliminated to balance the budget. The position reductions to balance the budget are offset by 12 positions that were added during Fiscal Year 2003.



<b>All Funds - Staffing</b>				
	Adopted FY 2003 FTEs	Approved FY 2004 FTEs	Recom'd FY 2004 FTEs	FY 2004 Changes
Police	1,356.00	1,354.50	1,352.50	(2.00)
Fire	572.00	593.00	572.00	(21.00)
Judicial	<u>283.80</u>	<u>283.80</u>	<u>275.80</u>	<u>(8.00)</u>
Public Safety Sub-Total	2,211.80	2,231.30	2,200.30	(31.00)
Tucson Water	590.00	590.00	589.00	(1.00)
Transportation	399.50	399.50	393.50	(6.00)
Community Services	157.00	155.00	153.00	(2.00)
Parks and Recreation	665.00	665.00	633.75	(31.25)
Solid Waste Management	236.00	236.00	234.00	(2.00)
Library	287.75	302.75	286.75	(16.00)
General Support	801.91	821.41	783.91	(37.50)
Other	<u>480.50</u>	<u>480.50</u>	<u>479.75</u>	<u>(0.75)</u>
Total	5,829.46	5,881.46	5,753.96	(127.50)

### Positions Eliminated to Balance the Budget

During the budget balancing process, the goals were to make permanent cuts and to keep public service reductions to a minimum. Seventy-three percent (73%) of the positions eliminated are from permanent cuts, and only 19% of the total are in public service cuts. The following table groups the nature of the position cuts for each department or department category. A Transition Plan is underway to transfer employees to vacant positions, with the goal of avoiding layoffs.

Summary of Positions Eliminated to Balance the Budget						
	Program Reductions	One-time	Internal Service	Org & Process	Other	Total
Police				2.00		2.00
Fire		21.00				21.00
Judicial	7.00			1.00		8.00
Community Services	2.00					2.00
Parks	27.25			4.00		31.25
Library		15.00		5.00		20.00
Solid Waste		2.00				2.00
General Support			35.50	6.00		41.50
Other				6.75	5.00	11.75
Total	36.25	38.00	35.50	24.75	5.00	139.50

### Staffing Changes – All Funds Budget

The changes in positions by department or department category, from the Fiscal Year 2004 Approved Budget to the Fiscal Year 2004 Recommended Budget, are briefly noted below. For more detail, see the individual department pages in Section B.

**Police.** Two positions were eliminated as part of the budget balancing process: a personnel manager and a graphic arts specialist. Ten administrative commissioned officer positions remain authorized, but are unfunded.

**Fire.** Twenty-one positions to staff a new fire station have been delayed until Fiscal Year 2005, when the facility is now scheduled to open.

**Judicial.** This category includes City Attorney, City Court, and the Office of the Public Defender. Due to the elimination of the Consumer Affairs Division as a budget balancing cut, the City Attorney's staff is reduced by seven positions. One administrative assistant position in City Court has also been eliminated.

**Tucson Water.** One position in Tucson Water was transferred to the Comprehensive Planning Task Force during Fiscal Year 2003.

**Transportation.** Six positions were transferred out of Transportation during Fiscal Year 2003: two positions to Development Services and four positions to the Comprehensive Planning Task Force.

**Community Services.** Two positions, which provide support for grant-funded programs, were eliminated as part of the budget balancing process.

**Parks and Recreation.** Of the total 31.25 positions eliminated to balance the budget, 16.50 are permanent positions and 14.75 are non-permanent, seasonal positions. Positions providing direct service to the public account for 19.25 of the total positions eliminated.

**Solid Waste Management.** Two positions were eliminated to balance the budget: one landfill operator and one recycling educator.

**Library.** Twenty positions were eliminated during the budget balancing process. Fifteen of those positions have been delayed until Fiscal Year 2005, when the Midtown and the Quincie Douglas Libraries are now scheduled to open. Five other positions were reduced due to the use of patron self-checkout equipment. These reductions are offset by four positions that were added during Fiscal Year 2003.

**General Support.** This category includes the City Manager's Office, City Clerk, and support services departments: Budget, Finance, Human Resources, Information Technology, Operations, and Procurement.

Of the 37.5 position reduction in the General Support category, 41.5 positions were eliminated to balance the budget. The remaining four positions were added during Fiscal Year 2003.

**Other.** All remaining departments and offices are included in this category: Mayor and Council, Development Services, Environmental Management, Comprehensive Planning Task Force, Neighborhood Resources, Economic Development, Tucson Convention Center, Golf, Independent Police Auditor, Zoning Examiner, Tucson-Mexico Trade Office, Intergovernmental Relations, and Non-Departmental.

The net reduction for this category is 0.75 positions: 11 positions added during Fiscal Year 2003 (transferred from other departments) and 11.75 positions eliminated to balance the budget.

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## CITIZEN IMPACTS

### Changes to the City's "Bill for Services"

The cost impact to the typical homeowner from the recommended Fiscal Year 2004 budget will be approximately \$2.30 per month. Most of that increase will come from the proposed \$2.00 per month Brush and Bulky fee. The remaining \$0.30 is for an increase in the secondary property tax.

City "Bill for Services" for the Typical Homeowner <sup>1</sup>			
	FY 2003	FY 2004	Increase
City Property Taxes <sup>1</sup>	\$ 112.02	\$ 115.69	\$ 3.67
City Sales Tax <sup>2</sup>	349.80	349.80	-0-
Brush and Bulky Fee	-0-	24.00	24.00
Tucson Water <sup>3</sup>	<u>216.84</u>	<u>216.84</u>	<u>-0-</u>
Annual Total	\$ 678.66	\$ 706.33	\$ 27.67
Per Month	\$56.56	\$ 58.86	\$2.30

<sup>1</sup>Typical Homeowner Definition: Owner-occupied residence, within TUSD, with an assessed value of \$100,000.

<sup>2</sup>Assumes an average income of \$36,000 with approximately 53% of net income (after federal and state income taxes) spent on taxable purchases based on U.S. Department of Labor Consumer Expenditure Survey.

<sup>3</sup>The water bill figures assume a single-family residence with 12 Ccf usage per month. If the Mayor and Council adopt the System Equity (Buy-In) fee proposed by Tucson Water, there will be no water rate increases for Fiscal Year 2004.

**City Property Taxes.** The city imposes two taxes on the assessed value of property within the city limits: (1) a primary property tax for general purposes and (2) a secondary property tax to pay off general obligation bond debt.

City of Tucson Property Tax Comparisons			
	Actual FY 2003	Estimated FY 2004	Changes
<b>Rate Changes</b>			
Primary	\$ 0.2089	\$ 0.3611	\$ 0.1522
Secondary	<u>0.9113</u>	<u>0.9480</u>	<u>0.0367</u>
Total	\$ 1.1202	\$ 1.3091	\$ 0.1889
<b>Tax Bill Changes*</b>			
Primary Property Tax	\$ 20.89	\$ 36.11	\$ 15.22
Secondary Property Tax	<u>91.13</u>	<u>94.80</u>	<u>3.67</u>
Total	\$ 112.02	\$ 130.91	\$ 18.89
% Change			17%
<b>If within TUSD:</b>			
Primary Property Tax	\$ 20.89	\$ 20.89	\$ -0-
Secondary Property Tax	<u>91.13</u>	<u>94.80</u>	<u>3.67</u>
Total	\$ 112.02	\$ 115.69	\$ 3.67
% Change			3%
*Owner-occupied home with an assessed valuation of \$100,000.			

**Primary Property Tax:** The estimated primary property tax rate for the Fiscal Year 2004 Recommended Budget is \$0.3611 per \$100 of assessed valuation or an increase of \$0.1522. The increase is due to the budget balancing decision to bring the primary property tax levy to the maximum allowable.

The increase to the maximum primary property tax levy translates to a \$15.22 increase on an owner-occupied home valued at \$100,000. However, most city homeowners—the approximately 80% who reside within the Tucson Unified School District—will see no increase in their primary property tax bill, because local jurisdiction levies already exceed the state cap of \$10 per \$100 assessed value. For those homeowners, the state will pay the city's primary property tax increase of \$15.22.

However, rental property owners and commercial property owners will pay the full primary property tax increase. Most residential rental property owners, who are assessed at 10% of value, will pay an additional \$15.22 for every \$100,000 of assessed value. Most commercial property owners, who are assessed at 25% of value, will pay an additional \$38.05 for every \$100,000 of assessed value.

**Secondary Property Tax:** The estimated secondary property tax rate for the Fiscal Year 2004 Recommended Budget is \$0.9480 per \$100 of assessed valuation, an increase of \$0.0367. This increase is due to the estimated debt service payments on a new general obligation bond sale for the bond authorization approved by the voters in May 2000.

**City Sales Tax.** The Tucson City Charter authorizes a sales tax on many business transactions within the city. However, certain transactions, such as food purchased for home consumption and rent collected on residential units, are exempted from the city sales tax. City sales tax collections can be used for any general purpose.

No change to the current city sales tax rate of 2% is recommended in the budget for Fiscal Year 2004.



**Charges for Services.** There are several charges for services that are recommended for an increase. However, not all of them directly impact the general public; e.g., zoning fee and commercial refuse fee increases. Proposed parks fee increases impact only citizens who use the Parks and Recreation Department's programs and services.

The charges for service that affect the majority of Tucson residents are briefly discussed below: the proposed Brush and Bulky Program fee and Tucson Water commodity rates.

Proposed Brush and Bulky Program Fee: A \$2.00 per month charge will be assessed against all residential households, including multiple-dwellings up to four-plexes and mobile homes. The new fee would appear on the Tucson Water bill of these residential households. It is projected that this fee will bring in \$2.9 million in new revenue.

The revenue from the fee will pay for the existing level of brush and bulky service, plus \$0.9 million added to the budget for an enhanced level of service, landfill tipping fees, and billing administration. Service level enhancements will include increasing the maximum setout per household from 5 cubic yards to 10 cubic yards and improving responsiveness to neighborhood cleanups, illegal dump cleanups, and homeless camp cleanups.

Water Rates: Tucson Water's Financial Plan for Fiscal Year 2004 includes revenues from the proposed System Equity (Buy-In) fee for new connections to the water system. If the Mayor and Council approve the proposed fee, there will be no increases to the current water commodity rates for Fiscal Year 2004.

# Section B

## *Recommended Changes*

TRANSPORTATION



DOWNTOWN



GROWTH

ECONOMIC DEVELOPMENT



GOOD GOVERNMENT

NEIGHBORHOODS



Revenue Adjustments to the Fiscal Year 2004 Budget			
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change
Primary Property Tax	\$ 3,864,260	\$ 8,477,300	\$ 4,613,040
Secondary Property Tax	22,907,710	23,055,320	147,610
Business Privilege Tax (City Sales Tax)	174,644,500	168,200,000	(6,444,500)
Other Local Taxes	18,526,990	19,700,500	1,173,510
Licenses and Permits	16,461,710	16,161,260	(300,450)
Fines, Forfeitures, and Penalties	8,347,600	9,758,200	1,410,600
Use of Money and Property	7,764,710	4,945,200	(2,819,510)
State Income Tax (State Revenue Sharing)	54,601,440	43,388,700	(11,212,740)
State Sales Tax	41,457,200	38,833,000	(2,624,200)
Highway User Revenue Funds	47,203,130	47,203,130	-0-
Other Shared Taxes and Grants	61,008,170	62,525,960	1,517,790
Federal Grants	123,453,670	142,519,170	19,065,500
Charges for Services	49,638,520	51,992,960	2,354,440
Non-Revenue Receipts	10,992,480	9,731,980	(1,260,500)
Enterprise Funds			
Golf	10,710,220	10,399,530	(310,690)
Water	125,666,000	132,166,320	6,500,320
Capital Funds (Bonds)	73,458,000	105,102,300	31,644,300
Certificates of Participation	12,222,000	23,306,700	11,084,700
Brought Forward and Use of Fund Balance	6,953,830	27,977,130	21,023,300
<b>Total</b>	<b>\$ 869,882,140</b>	<b>\$ 945,444,660</b>	<b>\$ 75,562,520</b>
<b>Discussion of Major Revenue Adjustments</b>			
<b>Revenue Increases to Balance the Budget</b>			<b>Change</b>
Primary Property Tax			\$ 4,613,040
An increase in the primary property tax rate is recommended to avoid significant reductions in services.			
Other Local Taxes			2,368,200
An increase in the transient occupancy tax from 4% to 6% is recommended to fund the promotion of tourism. This increase is partially offset by an increase in the city's allocation to the Metropolitan Tucson Convention and Visitors Bureau of \$873,750.			
Fines, Forfeitures, and Penalties			1,410,600
A combination of improved collection rates and higher fines are anticipated to increase revenues. This increase is partially offset by reductions in revenues from parking violations.			

## Revenue Adjustments to the Fiscal Year 2004 Budget

Revenue Increases to Balance the Budget (Continued)	Change
Other Shared Taxes and Grants	\$ 736,490
An increase in the Pima County library tax rate is recommended to avoid service reductions in Library.	
Charges for Services	
Increases in Solid Waste Management fees include a new brush and bulky fee of \$2.00 a month (\$2,916,000) and increases in commercial and landfill charges (\$1,500,000).	4,416,000
Development review and inspection and zoning fees will be increased to improve cost recovery.	714,000
An increase in Parks and Recreation fees are proposed. This is significantly less than the amount required to reach 30% cost recovery in five years. These revenues result in a cost recovery rate consistent with Fiscal Year 2003.	978,900
Other increases include Tucson Convention Center (TCC) space rental, Sun Tran bus wrap advertising, and Tucson-Mexico Trade Office fees.	530,000
Brought Forward and Use of Fund Balance	285,730
The sale of the A-7 Ranch is anticipated to fund debt service requirements until the city can pay off debt.	
<b>Total Revenue Increases to Balance the Budget</b>	<b>\$ 16,052,960</b>
<b>Other Revenues Changes</b>	
Secondary Property Tax	\$ 147,610
The secondary property tax is adjusted based on general obligation bond sales.	
Business Privilege Tax (city sales tax)	(6,444,500)
Projected revenues have been reduced based on the extended economic recession in Arizona and the economic uncertainties at the national level.	
Other Local Taxes	(1,194,690)
Projected tourism revenues have been reduced based on economic uncertainties. This change is prior to the recommended transient occupancy tax increase.	
Licenses and Permits	(300,450)
Miscellaneous revenue reductions.	
Use of Money and Property	(2,819,510)
Most of this decrease is the result of continued low investment income (\$2,190,000) as well as lower parking and other rental income.	
State Income Tax (State Revenue Sharing)	(11,212,740)
As with the city sales tax, projected revenues have been reduced based on the extended economic recession in Arizona and the economic uncertainties at the national level.	

## Revenue Adjustments to the Fiscal Year 2004 Budget

Other Revenues Changes (Continued)	Change
State Sales Tax	\$ (2,624,200)
As with the city sales tax, projected revenues have been reduced based on the extended economic recession in Arizona and the economic uncertainties at the national level.	
Other Shared Taxes and Grants	781,300
The auto-lieu tax and state grants are projected to increase.	
Federal Grants	19,065,500
Grants used to fund capital projects will increase based on the implementation of those projects.	
Charges for Services	(4,284,460)
Revised projections of revenues from users of city services prior to any fee increases were lower in the Fire Department's emergency medical transport, Parks and Recreation, and Solid Waste Management.	
Non-Revenue Receipts	(1,260,500)
One-time recovered expenditures are projected to be lower.	
Enterprise Funds - Golf	(310,690)
Miscellaneous revenue reductions.	
Enterprise Funds - Water	6,500,320
A new connection fee is recommended in place of a rate increase.	
Capital Funds (Bonds)	31,644,300
Implementation of the 2000 bond authorization will result in an increase in the use of general obligation and street and highway bonds.	
Certificates of Participation (COPs)	11,084,700
Implementation of capital improvements such as the Emergency Communication System and Facility will result in an increase in the use of COPs.	
Brought Forward and Use of Fund Balance	20,737,570
The increase in these funds is primarily due to the carryforward of capital projects and the use of the environmental mandate reserve on one-time capital projects.	
<b>Total Other Revenue Changes</b>	<b>\$ 59,509,560</b>
<b>Total Revenue Changes</b>	<b>\$ 75,562,520</b>

## Expenditure Adjustments to the Fiscal Year 2004 Budget

	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change
<b>Operating</b>			
Elected and Official			
Mayor and Council	\$ 2,862,120	\$ 2,711,570	\$ (150,550)
City Manager	2,279,200	2,014,950	(264,250)
City Clerk	4,767,010	4,667,910	(99,100)
City Attorney	7,613,780	7,020,090	(593,690)
Sub-Total	17,522,110	16,414,520	(1,107,590)
Neighborhood Services			
City Court	10,275,780	9,657,730	(618,050)
Community Services	66,909,020	66,647,960	(261,060)
Fire	50,443,740	47,456,450	(2,987,290)
Library	21,313,100	19,616,760	(1,696,340)
Neighborhood Resources	2,642,710	2,188,780	(453,930)
Parks and Recreation	40,641,150	38,116,450	(2,524,700)
Tucson City Golf	10,118,220	10,060,630	(57,590)
Police	118,870,200	117,445,680	(1,424,520)
Independent Police Auditor	154,440	154,190	(250)
Office of the Public Defender	2,361,320	2,309,340	(51,980)
Sub-Total	323,729,680	313,653,970	(10,075,710)
Environment and Development			
Development Services	8,277,560	8,129,430	(148,130)
Comprehensive Planning Task Force	2,970,680	3,942,630	971,950
Solid Waste Management	25,265,630	24,498,360	(767,270)
Transportation	77,902,420	84,423,260	6,520,840
Tucson Water	109,347,000	111,343,320	1,996,320
Environmental Management	2,408,370	2,319,980	(88,390)
Historic Preservation Office	344,410	-0-	(344,410)
Zoning Examiner	165,070	166,020	950
Sub-Total	226,681,140	234,823,000	8,141,860
Strategic Planning			
Tucson Convention Center	11,528,230	10,934,830	(593,400)
Office of Economic Development	2,115,620	1,642,090	(473,530)
Intergovernmental Relations	541,910	536,680	(5,230)
Tucson-Mexico Trade Office	599,120	483,150	(115,970)
Sub-Total	14,784,880	13,596,750	(1,188,130)



Expenditure Adjustments to the Fiscal Year 2004 Budget			
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change
<b>Operating (Continued)</b>			
Support Services			
Budget and Research	\$ 2,039,810	\$ 1,883,920	\$ (155,890)
Finance	7,596,200	8,186,910	590,710
Human Resources	3,028,400	2,661,950	(366,450)
Information Technology	11,491,580	10,335,540	(1,156,040)
Operations	19,988,410	17,336,260	(2,652,150)
Procurement	3,486,340	2,996,220	(490,120)
Equal Opportunity Office	713,170	578,080	(135,090)
Sub-Total	48,343,910	43,978,880	(4,365,030)
Non-Departmental			
Outside Agencies	7,005,690	7,553,340	547,650
General Expense	7,123,200	5,609,730	(1,513,470)
Debt Service	56,356,500	52,391,470	(3,965,030)
Contingency Fund	175,000	-0-	(175,000)
Sub-Total	70,660,390	65,554,540	(5,105,850)
<b>Total Operating</b>	<b>\$ 701,722,110</b>	<b>\$ 688,021,660</b>	<b>\$ (13,700,450)</b>
Capital	178,219,000	257,423,000	79,204,000
<b>Total Budget</b>	<b>\$ 879,941,110</b>	<b>\$ 945,444,660</b>	<b>\$ 65,503,550</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Mayor and Council</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,862,120	\$ 2,711,570	\$ (150,550)
<b>Total</b>	<b>\$ 2,862,120</b>	<b>\$ 2,711,570</b>	<b>\$ (150,550)</b>
<b>Staffing Summary</b>			
Permanent	53.00	53.00	-0-
<b>Total Staffing</b>	<b>53.00</b>	<b>53.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>General Changes</b>			
Reduction in merit and other salary adjustments		\$	(168,040)
Increase in pension rate from 9.57% to 11.17%			23,820
Miscellaneous charges from support departments			(6,330)
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (150,550)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>City Manager</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,279,200	\$ 2,014,950	\$ (264,250)
<b>Department Total</b>	<b>\$ 2,279,200</b>	<b>\$ 2,014,950</b>	<b>\$ (264,250)</b>
<b>Staffing Summary</b>			
Permanent	22.25	19.25	(3.00)
<b>Total Staffing</b>	<b>22.25</b>	<b>19.25</b>	<b>(3.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Administrative Staff		(3.00)	\$ (275,000)
Support staff for City Manager functions and other city departments will be reduced.	<i>Permanent FTE</i>	<i>(3.00)</i>	
Other Reductions			
Eliminate Management Development Training Program			(22,420)
<b>Total Reductions to Balance the Budget</b>		<b>(3.00)</b>	<b>\$ (297,420)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (74,010)
Miscellaneous charges from support departments			(4,850)
Increase in pension rate from 9.57% to 11.17%			29,030
Reorganization of staff including transfers to and from other departments			83,000
<b>Total General Changes</b>		<b>-0-</b>	<b>\$ 33,170</b>
<b>Total Changes</b>		<b>(3.00)</b>	<b>\$ (264,250)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>City Clerk</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 4,767,010	\$ 4,667,910	\$ (99,100)
<b>Department Total</b>	<b>\$ 4,767,010</b>	<b>\$ 4,667,910</b>	<b>\$ (99,100)</b>
<b>Staffing Summary</b>			
Permanent	38.50	35.50	(3.00)
Non-permanent	23.00	23.00	-0-
<b>Total Staffing</b>	<b>61.50</b>	<b>58.50</b>	<b>(3.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Mayor and Council Comment Line Automation		(2.00)	\$ (59,270)
Automation of the comment line will allow for a reduction of support staff.	<i>Permanent FTE</i>	<i>(2.00)</i>	
Reorganization of Clerical Staff		(1.00)	(29,630)
A secretary position will be eliminated by reorganization.	<i>Permanent FTE</i>	<i>(1.00)</i>	
<b>Total Reductions to Balance the Budget</b>		<b>(3.00)</b>	<b>\$ (88,900)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (26,190)
Miscellaneous charges from support departments			(8,390)
Increase in pension rate from 9.57% to 11.17%			24,380
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (10,200)</b>
<b>Total Changes</b>		<b>(3.00)</b>	<b>\$ (99,100)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>City Attorney</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 6,863,210	\$ 6,265,370	\$ (597,840)
Federal Funding	380,220	383,980	3,760
Other Restricted Funding	370,350	370,740	390
<b>Department Total</b>	<b>\$ 7,613,780</b>	<b>\$ 7,020,090</b>	<b>\$ (593,690)</b>
<b>Staffing Summary</b>			
Permanent	112.00	105.00	(7.00)
<b>Total Staffing</b>	<b>112.00</b>	<b>105.00</b>	<b>(7.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Eliminate the Consumer Affairs Division		(7.00)	\$ (510,540)
The city will no longer provide services to consumers including information, referral, mediation of consumer complaints, and investigation of consumer fraud.	<i>Permanent FTE</i>	(7.00)	
<b>Total Reductions to Balance the Budget</b>		<b>(7.00)</b>	<b>\$ (510,540)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (153,100)
Miscellaneous charges from support departments			(9,340)
Increase in pension rate from 9.57% to 11.17%			90,620
Miscellaneous adjustments			(11,330)
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (83,150)</b>
<b>Total Changes</b>		<b>(7.00)</b>	<b>\$ (593,690)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>City Court</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 9,735,700	\$ 9,048,670	\$ (687,030)
Other Restricted Funding	540,080	609,060	68,980
<b>Department Total</b>	<b>\$ 10,275,780</b>	<b>\$ 9,657,730</b>	<b>\$ (618,050)</b>
<b>Staffing Summary</b>			
Permanent	138.30	137.30	(1.00)
<b>Total Staffing</b>	<b>138.30</b>	<b>137.30</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Funding for Pre-Trial Services			\$ (286,000)
<p>Individuals arrested and booked in Pima County jail on charges over which Tucson City Court has jurisdiction will no longer be screened by contracted Pima County Pre-Trial Services staff to prepare a pre-trial report. Tucson Police Department reports will provide a majority of the information previously provided by pre-trial services. Possible impacts include increased jail costs and increased caseload for the Public Defender.</p>			
Consolidate Drug and Mental Health Courts			(50,000)
<p>A single magistrate will hear both types of cases with the cost of the sessions charged to the Court's drug grant.</p>			
Eliminate an Administrative Assistant Position		(1.00)	(35,230)
Duties will be absorbed by other administrative staff.	<i>Permanent FTE</i>	<i>(1.00)</i>	
Other Reductions			
Process server fee funding transferred to Police Department.			(50,000)
<b>Total Reductions to Balance the Budget</b>		<b>(1.00)</b>	<b>\$ (421,230)</b>



**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>City Court</b>		
	<b>Recommended Change</b>	
	<b>Staffing</b>	<b>Budget</b>
<b>Other General Changes</b>		
Reduction in merit and other salary adjustments		\$ (341,110)
Local Judicial Collection Enhancement Fund capacity		75,000
Increase in pension rate from 9.57% to 11.17%		80,200
Miscellaneous adjustments		(10,910)
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ (196,820)</b>
<b>Total Changes</b>	<b>(1.00)</b>	<b>\$ (618,050)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Community Services</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 3,986,230	\$ 3,725,170	\$ (261,060)
Federal Funding	60,868,510	60,868,510	-0-
Other Restricted Funding	2,054,280	2,054,280	-0-
<b>Total Operating Budget</b>	<b>\$ 66,909,020</b>	<b>\$ 66,647,960</b>	<b>\$ (261,060)</b>
Capital Budget			
Other Restricted Funding	\$ 3,445,000	\$ 2,290,100	\$ (1,154,900)
<b>Total Capital Budget</b>	<b>\$ 3,445,000</b>	<b>\$ 2,290,100</b>	<b>\$ (1,154,900)</b>
<b>Department Total</b>	<b>\$ 70,354,020</b>	<b>\$ 68,938,060</b>	<b>\$ (1,415,960)</b>
<b>Staffing Summary</b>			
Permanent	155.00	153.00	(2.00)
<b>Total Staffing</b>	<b>155.00</b>	<b>153.00</b>	<b>(2.00)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Program Support Funding	<i>Permanent FTE</i>	(2.00)	\$ (96,000)
General purpose funds that support grant-funded programs will be reduced.			
Homeless Services Funding			(25,000)
Funding assistance to relocate the homeless and related services will be reduced.			
Other Reductions			
Eliminate unallocated Human Services Contingency funding.			(34,000)
<b>Total Reductions to Balance the Budget</b>		<b>(2.00)</b>	<b>\$ (155,000)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (187,250)
Increase in pension rate from 9.57% to 11.17%			106,000
Miscellaneous adjustments			(24,810)
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (106,060)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Community Services</b>		
	<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Capital Budget Changes</b>		
Carryforward from Fiscal Year 2003		\$ 23,200
Adjustments based on project schedules		(1,178,100)
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ (1,154,900)</b>
<b>Total Changes</b>	<b>(2.00)</b>	<b>\$ (1,415,960)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Fire</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 49,933,740	\$ 46,946,450	\$ (2,987,290)
Other Restricted Funding	510,000	510,000	-0-
<b>Total Operating Budget</b>	<b>\$ 50,443,740</b>	<b>\$ 47,456,450</b>	<b>\$ (2,987,290)</b>
Capital Budget			
General Obligation Bonds	\$ 5,998,000	\$ 7,894,100	\$ 1,896,100
Other Restricted Funding	-0-	5,802,200	5,802,200
<b>Total Capital Budget</b>	<b>\$ 5,998,000</b>	<b>\$ 13,696,300</b>	<b>\$ 7,698,300</b>
<b>Department Total</b>	<b>\$ 56,441,740</b>	<b>\$ 61,152,750</b>	<b>\$ 4,711,010</b>
<b>Staffing Summary</b>			
Permanent	593.00	572.00	(21.00)
<b>Total Staffing</b>	<b>593.00</b>	<b>572.00</b>	<b>(21.00)</b>
		<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Defer Fire Apparatus Acquisition (one-time)			\$ (803,000)
Some apparatus will remain in service beyond its normal replacement, resulting in increased down-time and maintenance costs.			
Delay Opening of New Fire Station 20 (one-time)		(21.00)	(697,390)
Fire and medical responses in the area to be served by Station 20 will continue to be handled by Stations 5 and 8. This station will not be ready for operation until Fiscal Year 2005 based on anticipated completion of construction.			
	<i>Permanent FTE</i>	<i>(21.00)</i>	
Eliminate Funds for Annual Recruit Class			(171,150)
Retirement and other attrition will result in vacancies that cannot be filled. As a result, overtime costs are likely to increase.			

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Fire</b>		
	<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>		
Planned Maintenance (one-time)		\$ (70,000)
Delaying preventive maintenance at fire stations and the Public Safety Academy could result in higher costs in the long run and adversely affect the health and safety of personnel.		
Other Reductions		
Purchase of air compressor (one-time)		(37,000)
Phone services		(10,000)
Purchase of safety clothing		(5,500)
<b>Total Reductions to Balance the Budget</b>	<b>(21.00)</b>	<b>\$ (1,794,040)</b>
<b>Other General Changes</b>		
Reduction in merit and other salary adjustments		\$ (2,031,630)
Miscellaneous charges from support departments		(138,600)
Increase in pension rate from 9.57% to 11.17%		26,960
Increase in fire pension rate from 5.03% to 9.29%		1,000,170
Miscellaneous adjustments		(50,150)
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ (1,193,250)</b>
<b>Capital Budget Changes</b>		
Carryforward from Fiscal Year 2003		\$ 4,258,000
Adjustments based on project schedules		3,440,300
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ 7,698,300</b>
<b>Total Changes</b>	<b>(21.00)</b>	<b>\$ 4,711,010</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Library</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 10,156,550	\$ 8,855,060	\$ (1,301,490)
Other Restricted Funding	11,156,550	10,761,700	(394,850)
<b>Total Operating Budget</b>	<b>\$ 21,313,100</b>	<b>\$ 19,616,760</b>	<b>\$ (1,696,340)</b>
Capital Budget			
General Obligation Bonds	\$ 820,000	\$ 2,464,000	\$ 1,644,000
<b>Total Capital Budget</b>	<b>\$ 820,000</b>	<b>\$ 2,464,000</b>	<b>\$ 1,644,000</b>
<b>Department Total</b>	<b>\$ 22,133,100</b>	<b>\$ 22,080,760</b>	<b>\$ (52,340)</b>
<b>Staffing Summary</b>			
Permanent	247.50	233.50	(14.00)
Non-Permanent	55.25	53.25	(2.00)
<b>Total Staffing</b>	<b>302.75</b>	<b>286.75</b>	<b>(16.00)</b>
<b>Reductions to Balance the Budget (City Funds)</b>			
Delay opening the Midtown Library		(5.00)	\$ (142,540)
Twelve month delay in opening this new library, which will not be ready for operation until Fiscal Year 2005 based on anticipated completion of construction.	<i>Permanent FTE</i> (4.00) <i>Non-Permanent FTE</i> (1.00)		
Delay opening the Quincie Douglas Library		(10.00)	(140,010)
Six month delay in opening this new library, which will not be ready for operation until Fiscal Year 2005 based on anticipated completion of construction.	<i>Permanent FTE</i> (8.00) <i>Non-Permanent FTE</i> (2.00)		
Automated Check-Out System Savings		(5.00)	(72,460)
The use of new patron self-check equipment has shown that front counter staffing can be reduced. Several systems have been implemented and additional systems are funded for Fiscal Year 2004.	<i>Permanent FTE</i> (5.00)		
Eliminate Contracted Technology Services			(26,500)
Funding for two contracted technology services no longer used by the Library will be eliminated with no impact on public service.			

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Library</b>			
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (City Funds)</b>			
Library District Tax Increase			
Pima County will be requested to raise the Library District tax rate of 21.24 cents (per \$100 of assessed value) by about 1.47 cents to generate enough funding to avoid an additional \$736,490 in reductions required to balance the budget.			
<b>Total Reductions to Balance the Budget (City Funds)</b>		<b>(20.00)</b>	<b>\$ (381,510)</b>
<b>Pima County Share of Reductions to Balance the Budget</b>			<b>\$ (381,510)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (1,040,920)
Miscellaneous charges from support departments			(68,600)
Increase in pension rate from 9.57% to 11.17%			72,500
Southwest Library Staffing		4.00	147,260
When opened, the Southwest Library branch was initially staffed with employees from other branches.		<i>Permanent FTE</i> 3.00	
This increase provides for the appropriate authorized staffing levels.		<i>Non-Permanent FTE</i> 1.00	
Miscellaneous adjustments			(43,560)
<b>Total Other General Changes</b>		<b>4.00</b>	<b>\$ (933,320)</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003			\$ 1,644,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 1,644,000</b>
<b>Total Changes</b>		<b>(16.00)</b>	<b>\$ (52,340)</b>



**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Neighborhood Resources</b>				
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>	
<b>Financial Summary</b>				
Operating Budget				
General Purpose Funds	\$ 2,180,310	\$ 1,726,380	\$ (453,930)	
Federal Funding	370,000	370,000	-0-	
Other Restricted Funding	92,400	92,400	-0-	
<b>Total Operating Budget</b>	<b>\$ 2,642,710</b>	<b>\$ 2,188,780</b>	<b>\$ (453,930)</b>	
Capital Budget				
General Purpose Funds	\$ 2,625,000	\$ 2,100,000	\$ (525,000)	
Federal Funding	1,275,000	1,020,000	(255,000)	
Other Restricted Funding	1,700,000	1,360,000	(340,000)	
<b>Total Capital Budget</b>	<b>\$ 5,600,000</b>	<b>\$ 4,480,000</b>	<b>\$ (1,120,000)</b>	
<b>Department Total</b>	<b>\$ 8,242,710</b>	<b>\$ 6,668,780</b>	<b>\$ (1,573,930)</b>	
<b>Staffing Summary</b>				
Permanent	21.00	19.00	(2.00)	
<b>Total Staffing</b>	<b>21.00</b>	<b>19.00</b>	<b>(2.00)</b>	
		<b>Recommended Change</b>	<b>Budget</b>	
<b>Reductions to Balance the Budget</b>				
Back to Basics funding			\$ (525,000)	
Funds available for neighborhood/downtown infrastructure improvements will be eliminated except for funding required to complete projects initiated in prior years.				
Youth Employment Programs			(253,650)	
Approximately 225 youth will not have access to work opportunities with the termination of these programs.				
Administrative Staff		(2.00)	(170,000)	
Citizen and neighborhood services administrator positions will be eliminated.	<i>Permanent FTE</i>	<i>(2.00)</i>		
Other Reductions				
Miscellaneous operating costs			(34,000)	
<b>Total Reductions to Balance the Budget</b>		<b>(2.00)</b>	<b>\$ (982,650)</b>	

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Neighborhood Resources</b>		
	<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Other General Changes</b>		
Reduction in merit and other salary adjustments	\$	(24,600)
Miscellaneous charges from support departments		(3,760)
Increase in pension rate from 9.57% to 11.17%		15,380
Miscellaneous adjustments		16,700
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ 3,720</b>
<b>Capital Budget Changes</b>		
Reduction in Back to Basics Program	\$	(595,000)
The general purpose funds reduction is reflected in the Reductions to Balance the Budget.		
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ (595,000)</b>
<b>Total Changes</b>	<b>(2.00)</b>	<b>\$ (1,573,930)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Parks and Recreation</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 39,192,640	\$ 36,009,960	\$ (3,182,680)
Federal Funding	671,550	619,560	(51,990)
Other Restricted Funding	776,960	1,486,930	709,970
<b>Total Operating Budget</b>	<b>\$ 40,641,150</b>	<b>\$ 38,116,450</b>	<b>\$ (2,524,700)</b>
Capital Budget			
General Obligation Bonds	\$ 9,348,000	\$ 19,928,900	\$ 10,580,900
Other Restricted Funding	5,514,000	11,127,500	5,613,500
<b>Total Capital Budget</b>	<b>\$ 14,862,000</b>	<b>\$ 31,056,400</b>	<b>\$ 16,194,400</b>
<b>Department Total</b>	<b>\$ 55,503,150</b>	<b>\$ 69,172,850</b>	<b>\$ 13,669,700</b>
<b>Staffing Summary</b>			
Permanent	400.50	384.00	(16.50)
Non-Permanent	264.50	249.75	(14.75)
<b>Total Staffing</b>	<b>665.00</b>	<b>633.75</b>	<b>(31.25)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Leisure Class Program		(14.50)	\$ (438,330)
Reductions in fall, winter, and spring classes will focus on the least popular programs. The net savings after anticipated reductions in revenues is \$163,330.	<i>Permanent FTE</i>	(2.00)	
	<i>Non-Permanent FTE</i>	(12.50)	
Water Savings		-0-	(434,000)
The agreement between the City of Tucson and Pima County for the reconstruction of the treatment facility at Reid Park will provide reclaimed water for irrigation.			
Maintenance of Parks		(5.00)	(398,920)
Park users will see reduced levels of maintenance, including less frequent mowing, delayed trash and litter pick-up, reduced maintenance of playground surfaces, delayed graffiti removal, less frequent cleaning of comfort stations, more weeds due to reduced spraying and delayed storm damage clean-up.	<i>Permanent FTE</i>	(5.00)	

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Parks and Recreation</b>			
		<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>			
Civic Events Support		(3.00)	\$ (189,380)
Reduce civic events support by approximately one-third and eliminate rental of some equipment.	<i>Permanent FTE</i>	(3.00)	
Aquatics Programs		(1.25)	(36,630)
Aquatics supervision will be reduced and Catalina wading pool will be closed.	<i>Permanent FTE</i>	(1.00)	
	<i>Non-Permanent FTE</i>	(0.25)	
Other Reductions			
Reduce administrative support staff	<i>Permanent FTE</i>	(3.00)	(126,190)
Eliminate the Center of Downtown Program	<i>Permanent FTE</i>	(1.00)	(98,660)
Reduce concerts and theater events	<i>Permanent FTE</i>	(0.50)	(36,650)
Reduce YMCA support and the Sacred Heart program			(35,000)
Eliminate support for arts and crafts and antique fairs	<i>Non-Permanent FTE</i>	(1.00)	(34,340)
Eliminate the monitor at the Randolph Skate Park	<i>Non-Permanent FTE</i>	(1.00)	(17,420)
Delay class reservation software system expansion			(17,000)
Reduce painting maintenance of park facilities	<i>Permanent FTE</i>	(1.00)	(10,100)
<b>Total Reductions to Balance the Budget</b>		<b>(31.25)</b>	<b>\$ (1,872,620)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (1,048,990)
Miscellaneous charges from support departments			(476,880)
Increase in pension rate from 9.57% to 11.17%			214,730
Transfer from the capital budget based on new accounting standards			700,000
Miscellaneous adjustments			(40,940)
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (652,080)</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003			\$ 19,012,700
Transfer to the operating budget based on new accounting standards			(700,000)
Adjustments based on project schedules			(2,118,300)
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 16,194,400</b>
<b>Total Changes</b>		<b>(31.25)</b>	<b>\$ 13,669,700</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Tucson City Golf</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
Other Restricted Funding	\$ 10,118,220	\$ 10,060,630	\$ (57,590)
<b>Total Operating Budget</b>	<b>\$ 10,118,220</b>	<b>\$ 10,060,630</b>	<b>\$ (57,590)</b>
Capital Budget			
Other Restricted Funding	\$ 592,000	\$ 338,900	\$ (253,100)
<b>Total Capital Budget</b>	<b>\$ 592,000</b>	<b>\$ 338,900</b>	<b>\$ (253,100)</b>
<b>Department Total</b>	<b>\$ 10,710,220</b>	<b>\$ 10,399,530</b>	<b>\$ (310,690)</b>
<b>Staffing Summary</b>			
Permanent	43.00	43.00	-0-
Non-Permanent	110.75	110.75	-0-
<b>Total Staffing</b>	<b>153.75</b>	<b>153.75</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>General Changes</b>			
Reduction in merit and other salary adjustments		\$	(85,360)
Increase in pension rate from 9.57% to 11.17%			26,640
Miscellaneous adjustments			1,130
<b>Total General Changes</b>		<b>-0-</b>	<b>\$ (57,590)</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003		\$	338,900
Adjustments based on project schedules			(592,000)
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ (253,100)</b>
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (310,690)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Police</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 106,660,330	\$ 104,932,530	\$ (1,727,800)
Federal Funding	5,904,580	6,250,450	345,870
Other Restricted Funding	6,305,290	6,262,700	(42,590)
<b>Total Operating Budget</b>	<b>\$ 118,870,200</b>	<b>\$ 117,445,680</b>	<b>\$ (1,424,520)</b>
Capital Budget			
General Obligation Bonds	\$ 6,092,000	\$ 6,740,600	\$ 648,600
<b>Total Capital Budget</b>	<b>\$ 6,092,000</b>	<b>\$ 6,740,600</b>	<b>\$ 648,600</b>
<b>Department Total</b>	<b>\$ 124,962,200</b>	<b>\$ 124,186,280</b>	<b>\$ (775,920)</b>
<b>Staffing Summary</b>			
Permanent	1,348.50	1,346.50	(2.00)
Non-permanent	6.00	6.00	-0-
<b>Total Staffing</b>	<b>1,354.50</b>	<b>1,352.50</b>	<b>(2.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Administrative Commissioned Officers			\$ (510,000)
Funding for nine vacant commissioned staff will be eliminated. Reductions will occur in several administrative areas throughout the department.			
Savings from Revised Jail Booking Policies			(300,000)
The department will begin to book arrestees with multiple charges on felony for prosecution by the Superior Court, rather than misdemeanor charge(s).			
Personnel Office		(1.00)	(90,000)
A vacant personnel officer position will be eliminated. Less time will be devoted to developing the department's personnel policies.			
	<i>Permanent FTE</i>	<i>(1.00)</i>	
Helicopter Flight Hours			(55,000)
Flight hours will be reduced on weekends between 5:30 p.m. and 7:00 p.m. to minimize the impact on public safety.			

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Police</b>		
	<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>		
Graphic Arts	(1.00)	\$ (52,580)
The department will increase the use of technological resources to illustrate crime scenes by eliminating one graphic arts specialist.	<i>Permanent FTE</i> (1.00)	
Decentralize Crime Prevention		(50,100)
Funding for one vacant commissioned staff will be eliminated as the department decentralizes the Crime Prevention Unit. Some crime prevention duties will be a service cut.		
Other Reductions		
Telephone budget		(70,000)
Uniforms and equipment		(41,100)
Reduce funding of contracted services		(25,820)
Advertising for recruits		(20,000)
Miscellaneous adjustments		(85,900)
<b>Total Reductions to Balance the Budget</b>	<b>(2.00)</b>	<b>\$ (1,300,500)</b>
<b>Other General Changes</b>		
Reduction in merit and other salary adjustments		\$ (2,982,840)
Miscellaneous charges from support departments		(794,180)
Increase in pension rate from 9.57% to 11.17% for non-commissioned staff		210,170
Increase in funding for jailboard		1,000,000
Increase in commissioned pension rate from 5.46% to 9.84%		2,442,830
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ (124,020)</b>
<b>Capital Budget Changes</b>		
Carryforward from Fiscal Year 2003		\$ 648,600
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ 648,600</b>
<b>Total Changes</b>	<b>(2.00)</b>	<b>\$ (775,920)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Independent Police Auditor				
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change	
Financial Summary				
Operating Budget				
General Purpose Funds	\$ 154,440	\$ 154,190	\$	(250)
Total	\$ 154,440	\$ 154,190	\$	(250)
Staffing Summary				
Permanent	2.00	2.00		-0-
Total Staffing	2.00	2.00		-0-
General Changes				
Reduction in merit and other salary adjustments			\$	(2,080)
Increase in pension rate from 9.57% to 11.17%				1,830
Total Changes		-0-	\$	(250)



**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Office of the Public Defender</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,361,320	\$ 2,309,340	\$ (51,980)
<b>Department Total</b>	<b>\$ 2,361,320</b>	<b>\$ 2,309,340</b>	<b>\$ (51,980)</b>
<b>Staffing Summary</b>			
Permanent	33.50	33.50	-0-
<b>Total Staffing</b>	<b>33.50</b>	<b>33.50</b>	<b>-0-</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>General Changes</b>			
Reduction in merit and other salary adjustments		\$	(77,190)
Increase in pension rate from 9.57% to 11.17%			25,310
Miscellaneous adjustments			(100)
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (51,980)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Development Services</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 8,277,560	\$ 8,129,430	\$ (148,130)
<b>Department Total</b>	<b>\$ 8,277,560</b>	<b>\$ 8,129,430</b>	<b>\$ (148,130)</b>
<b>Staffing Summary</b>			
Permanent	110.00	112.00	2.00
Non-permanent	1.00	1.00	-0-
<b>Total Staffing</b>	<b>111.00</b>	<b>113.00</b>	<b>2.00</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Plan reviews and inspection fees will be increased by \$414,000 to avoid budget and service reductions.		\$	-0-
Zoning fees will be increased by \$300,000 to avoid budget and service reductions.			-0-
<b>Total Reductions to Balance the Budget</b>		<b>-0-</b>	<b>\$ -0-</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments		\$	(380,920)
Positions transferred from Transportation		<i>Permanent FTE</i> 2.00	109,610
Increase in pension rate from 9.57% to 11.17%			80,070
Miscellaneous adjustments			43,110
<b>Total Other General Changes</b>		<b>2.00</b>	<b>\$ (148,130)</b>
<b>Total Changes</b>		<b>2.00</b>	<b>\$ (148,130)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Comprehensive Planning Task Force				
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change	
Financial Summary				
Operating Budget				
General Purpose Funds	\$ 2,890,680	\$ 3,522,380	\$	631,700
Federal Funding	80,000	290,000		210,000
Other Restricted Funding	-0-	130,250		130,250
Department Total	\$ 2,970,680	\$ 3,942,630	\$	971,950
Staffing Summary				
Permanent	29.50	38.50		9.00
Total Staffing	29.50	38.50		9.00
		Recommended Change	Budget	
Reductions to Balance the Budget				
Consultant Services Funding			\$	(72,000)
Second year consultant funding for the Community Planning Program, specifically Rio Nuevo and Southland will be reduced.				
Total Reductions to Balance the Budget		-0-	\$	(72,000)
Other General Changes				
Reduction in merit and other salary adjustments			\$	(27,450)
Miscellaneous charges from support departments				(5,590)
Increase in pension rate from 9.57% to 11.17%				36,320
Transfers from other departments		9.00		1,040,670
As part of consolidating comprehensive planning functions, nine positions were transferred from Transportation, Historic Preservation, Water, and Annexation.		Permanent FTE 9.00		
Total Other General Changes		9.00	\$	1,043,950
Total Changes		9.00	\$	971,950

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Solid Waste Management</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 24,855,630	\$ 24,088,360	\$ (767,270)
Other Restricted Funding	410,000	410,000	-0-
<b>Total Operating Budget</b>	<b>\$ 25,265,630</b>	<b>\$ 24,498,360</b>	<b>\$ (767,270)</b>
Capital Budget			
General Obligation Bonds	\$ 1,710,000	\$ 4,624,600	\$ 2,914,600
Other Restricted Funding	3,231,000	7,055,700	3,824,700
<b>Total Capital Budget</b>	<b>\$ 4,941,000</b>	<b>\$ 11,680,300</b>	<b>\$ 6,739,300</b>
<b>Department Total</b>	<b>\$ 30,206,630</b>	<b>\$ 36,178,660</b>	<b>\$ 5,972,030</b>
<b>Staffing Summary</b>			
Permanent	236.00	234.00	(2.00)
<b>Total Staffing</b>	<b>236.00</b>	<b>234.00</b>	<b>(2.00)</b>
		<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Recycling Education Program		(1.00)	(262,770)
The introduction of the new recycling program in Fiscal Year 2003 required a major educational campaign. Fiscal Year 2004 and future years will not require the same level of funding. This reduction includes one public information specialist (\$42,770).	<i>Permanent FTE</i>	<i>(1.00)</i>	
Landfill Maintenance and Monitoring		(1.00)	\$ (219,770)
The reduction in landfill maintenance funding, including one landfill operator (\$42,770), will impact daily operation and equipment maintenance.	<i>Permanent FTE</i>	<i>(1.00)</i>	
Transfer Household Hazardous Waste Program Funding			(45,000)
This program is funded by both the City of Tucson and Pima County. The Fire Department will contribute a part of city's share of the program so no actual reduction will be realized by the program.			

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Solid Waste Management</b>		
	<b>Recommended Change</b>	
	<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>		
Other Reductions		
Miscellaneous adjustments		\$ (46,000)
Material Recovery Facility contingency funds		(38,000)
Reduction to garbage container replacement program		(37,000)
Reduce funding for Beat the Heap Program		(20,000)
<b>Total Reductions to Balance the Budget</b>	<b>(2.00)</b>	<b>\$ (668,540)</b>
<b>Other General Changes</b>		
Miscellaneous charges from support departments		\$ (667,710)
Reduction in merit and other salary adjustments		(482,320)
Increase in pension rate from 9.57% to 11.17%		137,540
Brush and Bulky Fee		
The new fee for the brush and bulky program will provide for improved services in city neighborhoods and expenses to administer the fee.		913,760
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ (98,730)</b>
<b>Capital Budget Changes</b>		
Carryforward from Fiscal Year 2003		\$ 8,723,300
Adjustments based on project schedules		(1,984,000)
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ 6,739,300</b>
<b>Total Changes</b>	<b>(2.00)</b>	<b>\$ 5,972,030</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Transportation</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 43,509,910	\$ 42,639,040	\$ (870,870)
Federal Funding	2,791,700	9,571,610	6,779,910
Other Restricted Funding	31,600,810	32,212,610	611,800
<b>Total Operating Budget</b>	<b>\$ 77,902,420</b>	<b>\$ 84,423,260</b>	<b>\$ 6,520,840</b>
Capital Budget			
General Purpose Funds	\$ 2,696,000	\$ 2,250,000	\$ (446,000)
Federal Funding	46,026,000	54,549,400	8,523,400
General Obligation Bonds	8,937,000	16,357,000	7,420,000
Street and Highway Bonds	5,717,000	11,189,200	5,472,200
Other Restricted Funding	7,806,000	17,066,900	9,260,900
<b>Total Capital Budget</b>	<b>\$ 71,182,000</b>	<b>\$ 101,412,500</b>	<b>\$ 30,230,500</b>
<b>Department Total</b>	<b>\$ 149,084,420</b>	<b>\$ 185,835,760</b>	<b>\$ 36,751,340</b>
<b>Staffing Summary</b>			
Permanent	398.00	392.00	(6.00)
Non-Permanent	1.50	1.50	-0-
<b>Total Staffing</b>	<b>399.50</b>	<b>393.50</b>	<b>(6.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Defer Mountain Avenue: Ft. Lowell Road to Roger Road (Capital Budget)			\$ (2,579,320)
This project will be deferred to provide a one-time source of federal funding for public transit in place of general purpose funds.			
Transfer of Highway User Revenue Funds (HURF)			(373,320)
Eligible Budget			
Real Estate general purpose fund expenses that are directly related to rights-of-way will be fully charged to HURF (\$250,000).			
Eligible stormwater project management and environmental inspection expenses will be charged to HURF (\$123,320).			
<b>Total Reductions to Balance the Budget</b>		<b>-0-</b>	<b>\$ (2,952,640)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Transportation</b>			
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Other General Changes</b>			
Positions transferred to other departments		(6.00)	\$ (536,480)
As part of consolidating city functions such as comprehensive planning and development review, four positions have been transferred to the Comprehensive Planning Task Force (\$427,030) and two positions to Development Services (\$109,450).	<i>Permanent FTE</i>	(6.00)	
Transfer to federal funding from General Purpose Funds			2,579,320
Reduction in merit and other salary adjustments			(140,050)
Miscellaneous charges from support departments			(75,230)
Increase in pension rate from 9.57% to 11.17%			253,390
Transfer to HURF funding from General Purpose funds			373,320
Increase service for Van Tran			1,500,000
Transferred from capital budget based on new accounting standards			5,554,600
Miscellaneous adjustments			(35,390)
<b>Total Other General Changes</b>		<b>(6.00)</b>	<b>\$ 9,473,480</b>
<b>Capital Budget Changes</b>			
Transferred to operating budget based on new accounting standards			\$ (5,554,600)
Adjustments based on project schedules			4,891,600
New funding from federal, state, and other sources			2,818,680
Carryforward from Fiscal Year 2003			28,074,820
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 30,230,500</b>
<b>Total Changes</b>		<b>(6.00)</b>	<b>\$ 36,751,340</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Tucson Water</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
Water Revenue and Operations Fund	\$ 109,197,000	\$ 111,193,320	\$ 1,996,320
Miscellaneous Non-Federal Grants	150,000	150,000	-0-
<b>Total Operating Budget</b>	<b>\$ 109,347,000</b>	<b>\$ 111,343,320</b>	<b>\$ 1,996,320</b>
Capital Budget			
Water Revenue and Operations Fund	\$ 16,319,000	\$ 20,823,000	\$ 4,504,000
Other Restricted Funding	31,992,000	31,206,000	(786,000)
<b>Total Capital Budget</b>	<b>\$ 48,311,000</b>	<b>\$ 52,029,000</b>	<b>\$ 3,718,000</b>
<b>Department Total</b>	<b>\$ 157,658,000</b>	<b>\$ 163,372,320</b>	<b>\$ 5,714,320</b>
<b>Staffing Summary</b>			
Permanent	590.00	589.00	(1.00)
<b>Total Staffing</b>	<b>590.00</b>	<b>589.00</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>General Changes</b>			
Reduction in merit and other salary adjustments			\$ (1,024,500)
Increase in pension rate from 9.57% to 11.17%			393,820
Transfer to Comprehensive Planning Task Force		(1.00)	-0-
As part of consolidating comprehensive planning functions, one position was transferred; however, funding remains in Water.	<i>Permanent FTE</i>	<i>(1.00)</i>	
Transferred from capital budget based on new accounting standards			2,627,000
<b>Total General Changes</b>		<b>(1.00)</b>	<b>\$ 1,996,320</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003			\$ 5,905,000
Adjustments based on project schedules			440,000
Transferred to operating budget based on new accounting standards			(2,627,000)
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 3,718,000</b>
<b>Total Changes</b>		<b>(1.00)</b>	<b>\$ 5,714,320</b>



**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Environmental Management</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,088,370	\$ 1,999,980	\$ (88,390)
Other Restricted Funding	320,000	320,000	-0-
<b>Total Operating Budget</b>	<b>\$ 2,408,370</b>	<b>\$ 2,319,980</b>	<b>\$ (88,390)</b>
Capital Budget			
General Obligation Bonds	\$ 2,844,000	\$ 4,697,900	\$ 1,853,900
Other Restricted Funding	1,310,000	4,012,900	2,702,900
<b>Total Capital Budget</b>	<b>\$ 4,154,000</b>	<b>\$ 8,710,800</b>	<b>\$ 4,556,800</b>
<b>Department Total</b>	<b>\$ 6,562,370</b>	<b>\$ 11,030,780</b>	<b>\$ 4,468,410</b>
<b>Staffing Summary</b>			
Permanent	15.00	15.00	-0-
<b>Total Staffing</b>	<b>15.00</b>	<b>15.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Landfill Operating and Maintenance Costs			\$ (40,000)
Reduce electrical costs required for removal of volatile organic compounds at landfill sites.			
Other Reductions			
Miscellaneous adjustments including increased staff charges to Rio Nuevo Project.			(20,120)
<b>Total Reductions to Balance the Budget</b>		<b>-0-</b>	<b>\$ (60,120)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (37,860)
Miscellaneous charges from support departments			(3,320)
Increase in pension rate from 9.57% to 11.17%			12,910
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (28,270)</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003			\$ 4,556,800
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 4,556,800</b>
<b>Total Changes</b>		<b>-0-</b>	<b>\$ 4,468,410</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Historic Preservation Office				
	FY 2004		FY 2004	FY 2004
	Approved		Recommended	Change
Financial Summary				
Operating Budget				
General Purpose Funds	\$	134,410	\$ -0-	\$ (134,410)
Other Restricted Funding		210,000	-0-	(210,000)
Total	\$	344,410	\$ -0-	\$ (344,410)
Staffing Summary				
Permanent		2.00	-0-	(2.00)
Total Staffing		2.00	-0-	(2.00)
General Changes				
Transferred to Comprehensive Planning Task Force			(2.00)	\$ (344,410)
All Historic Preservation Office functions have been included in the Comprehensive Planning Task Force.	Permanent FTE	(2.00)		
Total General Changes			(2.00)	\$ (344,410)

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Zoning Examiner				
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change	
Financial Summary				
Operating Budget				
General Purpose Funds	\$ 165,070	\$ 166,020	\$	950
<b>Total</b>	<b>\$ 165,070</b>	<b>\$ 166,020</b>	<b>\$</b>	<b>950</b>
Staffing Summary				
Permanent	2.00	2.00		-0-
<b>Total Staffing</b>	<b>2.00</b>	<b>2.00</b>		<b>-0-</b>
		Recommended Change		
		Staffing	Budget	
General Changes				
Reduction in merit and other salary adjustments			\$	(1,020)
Increase in pension rate from 9.57% to 11.17%				1,970
<b>Total Changes</b>		<b>-0-</b>	<b>\$</b>	<b>950</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Tucson Convention Center</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 10,628,230	\$ 10,034,830	\$ (593,400)
Other Restricted Funding	900,000	900,000	-0-
<b>Department Total</b>	<b>\$ 11,528,230</b>	<b>\$ 10,934,830</b>	<b>\$ (593,400)</b>
<b>Staffing Summary</b>			
Permanent	46.00	43.00	(3.00)
Non-Permanent	14.00	13.25	(0.75)
<b>Total Staffing</b>	<b>60.00</b>	<b>56.25</b>	<b>(3.75)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Reductions in Positions		(3.75)	\$ (221,430)
Three vacant permanent positions and a non-permanent position are eliminated through realignment of responsibilities.	<i>Permanent FTE</i>	(3.00)	
	<i>Non-Permanent FTE</i>	(0.75)	
Maintenance of Grounds and Buildings			(90,000)
Maintenance of Tucson Convention Center grounds and buildings will be reduced. The likely result will be deterioration of facilities making them less attractive and more difficult to market.			
Other Reductions			
Miscellaneous operating costs			(37,660)
<b>Total Reductions to Balance the Budget</b>		<b>(3.75)</b>	<b>\$ (349,090)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (158,960)
Miscellaneous charges from support departments			(104,450)
Increase in pension rate from 9.57% to 11.17%			26,960
Miscellaneous adjustments			(7,860)
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (244,310)</b>
<b>Total Changes</b>		<b>(3.75)</b>	<b>\$ (593,400)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Office of Economic Development			
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 1,490,620	\$ 975,040	\$ (515,580)
Federal Funding	625,000	667,050	42,050
<b>Department Total</b>	<b>\$ 2,115,620</b>	<b>\$ 1,642,090</b>	<b>\$ (473,530)</b>
<b>Staffing Summary</b>			
Permanent	14.00	11.00	(3.00)
Non-Permanent	3.50	3.50	-0-
<b>Total Staffing</b>	<b>17.50</b>	<b>14.50</b>	<b>(3.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Reduce or Eliminate Funding for Technology and Workforce Development Agencies			\$ (205,000)
Funding of Tucson Technology Incubator and Southern Arizona Institute of Advanced Technology will be eliminated for a savings of \$50,000 and \$130,500 respectively. Funding for the Pima County Workforce Development Program will be reduced 30% for a savings of \$24,500.			
Tucson Film Office Transfer to Metropolitan Tucson Convention and Visitors Bureau (MTCVB)	<i>Permanent FTE</i>	(3.00)	(196,430)
The city is working with MTCVB to take over the Tucson Film Office. If this transfer cannot be worked out, the office will be eliminated.			
Transfer Staff From General Purpose to Federal Funding			(58,000)
One position will be funded with federal grants, saving \$58,000 in General Purpose Funds.			

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Office of Economic Development</b>		
	<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>		
Other Reductions		
Eliminate rent expenses due to move to City Hall	\$	(37,650)
Reduce funding for miscellaneous items		(7,000)
Reduce funding of Foreign Trade Zone		(2,000)
Reduce funding of Tucson Small Business Commission		(500)
<b>Total Reductions to Balance the Budget</b>	<b>(3.00)</b>	<b>\$ (506,580)</b>
<b>Other General Changes</b>		
Reduction in merit and other salary adjustments	\$	(24,040)
Miscellaneous charges from support departments		(1,750)
Increase in pension rate from 9.57% to 11.17%		12,960
Increase in grant funding		45,880
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ 33,050</b>
<b>Total Changes</b>	<b>(3.00)</b>	<b>\$ (473,530)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Intergovernmental Relations				
	FY 2004		FY 2004	FY 2004
	Approved		Recommended	Change
<b>Financial Summary</b>				
Operating Budget				
General Purpose Funds	\$	541,910	\$	536,680
	\$		\$	(5,230)
<b>Total</b>	<b>\$</b>	<b>541,910</b>	<b>\$</b>	<b>536,680</b>
			<b>\$</b>	<b>(5,230)</b>
<b>Staffing Summary</b>				
Permanent		2.00		2.00
				-0-
<b>Total Staffing</b>		<b>2.00</b>		<b>2.00</b>
				<b>-0-</b>
			<b>Recommended Change</b>	<b>Change</b>
			<b>Staffing</b>	<b>Budget</b>
<b>General Changes</b>				
Reduction in merit and other salary adjustments			\$	(6,670)
Increase in pension rate from 9.57% to 11.17%				1,440
<b>Total Changes</b>			<b>-0-</b>	<b>\$ (5,230)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Tucson-Mexico Trade Office				
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change	
Financial Summary				
Operating Budget				
General Purpose Funds	\$ 599,120	\$ 483,150	\$	(115,970)
<b>Total</b>	<b>\$ 599,120</b>	<b>\$ 483,150</b>	<b>\$</b>	<b>(115,970)</b>
Staffing Summary				
Permanent	6.00	6.00		-0-
<b>Total Staffing</b>	<b>6.00</b>	<b>6.00</b>		<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>	
<b>Reductions to Balance the Budget</b>				
Lease requirements			\$	(86,000)
Lease expenses will be eliminated when staff is moved to City Hall.				
Travel and marketing programs				(30,000)
Travel and marketing budgets will be reduced 75% and 50% respectively.				
<b>Total Reductions to Balance the Budget</b>		<b>-0-</b>	<b>\$</b>	<b>(116,000)</b>
<b>Other General Changes</b>				
Reduction in merit and other salary adjustments			\$	(4,590)
Increase in pension rate from 9.57% to 11.17%				4,620
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$</b>	<b>30</b>
<b>Total Changes</b>		<b>-0-</b>	<b>\$</b>	<b>(115,970)</b>



**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Budget and Research</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,039,810	\$ 1,883,920	\$ (155,890)
<b>Department Total</b>	<b>\$ 2,039,810</b>	<b>\$ 1,883,920</b>	<b>\$ (155,890)</b>
<b>Staffing Summary</b>			
Permanent	24.00	22.00	(2.00)
<b>Total Staffing</b>	<b>24.00</b>	<b>22.00</b>	<b>(2.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Budget Management and Performance		(2.00)	\$ (113,800)
Management Programs	<i>Permanent FTE</i>	<i>(2.00)</i>	
General support on budget issues and performance system provided to other city departments and Mayor and Council will be reduced.			
Other Reductions			
Advertising			(10,000)
Travel and training			(8,800)
<b>Total Reductions to Balance the Budget</b>		<b>(2.00)</b>	<b>\$ (132,600)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments		\$	(38,980)
Increase in pension rate from 9.57% to 11.17%			18,140
Miscellaneous adjustments			(2,450)
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (23,290)</b>
<b>Total Changes</b>		<b>(2.00)</b>	<b>\$ (155,890)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Finance</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 7,596,200	\$ 8,186,910	\$ 590,710
<b>Department Total</b>	<b>\$ 7,596,200</b>	<b>\$ 8,186,910</b>	<b>\$ 590,710</b>
<b>Staffing Summary</b>			
Permanent	145.00	144.00	(1.00)
<b>Total Staffing</b>	<b>145.00</b>	<b>144.00</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Savings in Risk Management/Safety Programs		(1.00)	\$ (450,000)
Employee safety training and other functions will be performed in-house by city staff.	<i>Permanent FTE</i>	<i>(1.00)</i>	
Savings in Pension Investment Management Fees			(145,000)
Management fees have decreased due to lower valuation of pension investment assets.			
<b>Total Reductions to Balance the Budget</b>		<b>(1.00)</b>	<b>\$ (595,000)</b>
<b>Other General Changes</b>			
Adjustments in charges to other departments			\$ 583,840
Reduction in merit and other salary adjustments			(332,230)
Increase in pension rate from 9.57% to 11.17%			84,100
Upgrade of financial management sytem hardware/software			850,000
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ 1,185,710</b>
<b>Total Changes</b>		<b>(1.00)</b>	<b>\$ 590,710</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Human Resources</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 3,028,400	\$ 2,661,950	\$ (366,450)
<b>Department Total</b>	<b>\$ 3,028,400</b>	<b>\$ 2,661,950</b>	<b>\$ (366,450)</b>
<b>Staffing Summary</b>			
Permanent	29.00	27.00	(2.00)
<b>Total Staffing</b>	<b>29.00</b>	<b>27.00</b>	<b>(2.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Human Resources Reorganization		(2.00)	\$ (194,000)
A reorganization of Human Resources functions will provide opportunities for savings in staff and other costs, including rent expenses.	<i>Permanent FTE</i>	<i>(2.00)</i>	
Employee Training Programs			(66,540)
General training provided by the department to city employees will be reduced. Departments have training budgets to provide for the specific needs of their employees.			
Other Reductions			
Miscellaneous adjustments			(24,480)
Medical costs associated with pre-employment services			(9,000)
<b>Total Reductions to Balance the Budget</b>		<b>(2.00)</b>	<b>\$ (294,020)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (91,090)
Miscellaneous charges from support departments			(4,140)
Increase in pension rate from 9.57% to 11.17%			22,800
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (72,430)</b>
<b>Total Changes</b>		<b>(2.00)</b>	<b>\$ (366,450)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Information Technology</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 10,892,080	\$ 10,001,040	\$ (891,040)
Other Restricted Funding	599,500	334,500	(265,000)
<b>Department Total</b>	<b>\$ 11,491,580</b>	<b>\$ 10,335,540</b>	<b>\$ (1,156,040)</b>
<b>Staffing Summary</b>			
Permanent	82.50	79.00	(3.50)
Non-Permanent	2.16	2.16	-0-
<b>Total Staffing</b>	<b>84.66</b>	<b>81.16</b>	<b>(3.50)</b>
		<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Reduce Funding for the Citywide Computer Replacement Program			\$ (200,000)
<p>This cut will reduce the replacement of old personal computers (PCs) by approximately 200 units in Fiscal Year 2004. This will result in extending the replacement periods for all city personal computers. Older equipment is slower and may not support newer software or technology.</p>			
Reduction of Vacant Positions		(3.00)	(192,000)
Two information technology managers and one computer operator vacancies will be eliminated.	<i>Permanent FTE</i>	<i>(3.00)</i>	
Eliminate Weekly CityPage			(47,580)
<p>Since August 1995, CityPage has provided the public with information on City of Tucson services, programs, events, participation opportunities, etc. This will affect community members who use CityPage as an information source and city staff trying to inform the public.</p>			
Eliminate a Part-Time Technological Intern Position		(0.50)	(13,160)
The Citywide Computer Replacement program relies in part upon this part-time position for the timely completion of tasks associated with ordering, receiving, inventorying, configuring, and delivering the computers.	<i>Permanent FTE</i>	<i>(0.50)</i>	

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Information Technology</b>		
	<b>Recommended Change</b>	
	<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>		
Other Reductions		
Computer hardware and software upgrades		\$ (84,590)
Cable inspections and I-Net expansion (one time)		(60,650)
Data wiring improvements and alterations (one time)		(35,000)
Technical training and other miscellaneous costs		(28,240)
<b>Total Reductions to Balance the Budget</b>	<b>(3.50)</b>	<b>\$ (661,220)</b>
<b>Other General Changes</b>		
Eliminate capacity for restricted funding no longer available		\$ (265,000)
Reduction in merit and other salary adjustments		(252,420)
Miscellaneous charges from support departments		(15,030)
Increase in pension rate from 9.57% to 11.17%		71,840
Miscellaneous adjustments		(34,210)
<b>Total Other General Changes</b>	<b>-0-</b>	<b>\$ (494,820)</b>
<b>Total Changes</b>	<b>(3.50)</b>	<b>\$ (1,156,040)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Operations</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 16,988,410	\$ 14,336,260	\$ (2,652,150)
Federal Funding	1,500,000	1,500,000	-0-
Other Restricted Funding	1,500,000	1,500,000	-0-
<b>Total Operating Budget</b>	<b>\$ 19,988,410</b>	<b>\$ 17,336,260</b>	<b>\$ (2,652,150)</b>
Capital Budget			
General Purpose Funds	\$ -0-	\$ 761,200	\$ 761,200
Other Restricted Funding	8,222,000	7,912,600	(309,400)
<b>Total Capital Budget</b>	<b>\$ 8,222,000</b>	<b>\$ 8,673,800</b>	<b>\$ 451,800</b>
<b>Department Total</b>	<b>\$ 28,210,410</b>	<b>\$ 26,010,060</b>	<b>\$ (2,200,350)</b>
<b>Staffing Summary</b>			
Permanent	367.00	348.00	(19.00)
Non-Permanent	2.00	2.00	-0-
<b>Total Staffing</b>	<b>369.00</b>	<b>350.00</b>	<b>(19.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Building Maintenance Management			\$ (1,000,000)
Funding for maintenance of buildings will be reduced through changes in contracting and management of building maintenance.			
Vehicle Replacement			(765,150)
Savings will be generated by reducing the number of vehicles purchased and through changes in vehicle management.			
Custodial Services			(400,000)
Savings will be generated through changes in custodial services contracting and management.			
Facilities Management Staff		(6.00)	(362,050)
Decrease in support staff for building maintenance functions due to changes in maintenance management.			
	<i>Permanent FTE</i>	<i>(6.00)</i>	

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Operations</b>			
		<b>Recommended Change Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>			
Architectural and Engineering Staff		(3.00)	\$ (295,000)
Support staff for facility design project management and associated miscellaneous operating costs will be reduced.	<i>Permanent FTE</i>	(3.00)	
Fleet Services Staff		(11.00)	(285,270)
Decrease in support staff for fleet services functions.	<i>Permanent FTE</i>	(11.00)	
Telephone Usage			(213,730)
Savings will be generated through changes in telephone usage.			
Administrative Staff		(3.00)	(160,200)
Positions are being eliminated based on process improvement recommendation.	<i>Permanent FTE</i>	(3.00)	
Midtown Multi-Service Center			(100,000)
Reduce operating expenses based on a January 2004 expected project completion date.			
Other Reductions			
Defer building component replacement projects			(165,090)
Miscellaneous adjustments			(140,360)
Reduction of energy star building program projects			(116,820)
Reduce funding for I-Net support equipment			(55,150)
Reduce funding for computer aided dispatch			(54,000)
<b>Total Reductions to Balance the Budget</b>		<b>(23.00)</b>	<b>\$ (4,112,820)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (624,410)
Increase in pension rate from 9.57% to 11.17%			233,370
Adjustments in charges to other departments			2,264,150
Added positions funded from other agencies	<i>Permanent FTE</i>	4.00	-0-
Miscellaneous charges from support departments			(412,440)
<b>Total Other General Changes</b>		<b>4.00</b>	<b>\$ 1,460,670</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003			\$ 5,409,400
Adjustments based on project schedules			(4,957,600)
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 451,800</b>
<b>Total Changes</b>		<b>(19.00)</b>	<b>\$ (2,200,350)</b>

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Procurement</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 3,486,340	\$ 2,996,220	\$ (490,120)
<b>Department Total</b>	<b>\$ 3,486,340</b>	<b>\$ 2,996,220</b>	<b>\$ (490,120)</b>
<b>Staffing Summary</b>			
Permanent	77.00	74.00	(3.00)
<b>Total Staffing</b>	<b>77.00</b>	<b>74.00</b>	<b>(3.00)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Increase Fleet Chargebacks			
Stores services for auto parts and other services will be fully charged to the Department of Operations Fleet Services fund.			\$ (211,640)
City Stores Operations		(1.00)	(100,280)
One of five warehouses will be closed to provide savings in staff and other operating costs.	<i>Permanent FTE</i>	<i>(1.00)</i>	
Other Staff Reductions		(2.00)	(65,000)
A vacant position in Reprographics and an administrative position in the Architectural and Engineering Division will be eliminated.	<i>Permanent FTE</i>	<i>(2.00)</i>	
Other Reductions			
Miscellaneous operating expenses			(25,820)
<b>Total Reductions to Balance the Budget</b>		<b>(3.00)</b>	<b>\$ (402,740)</b>
<b>Other General Changes</b>			
Reduction in merit and other salary adjustments			\$ (126,210)
Miscellaneous charges from support departments			(13,380)
Increase in pension rate from 9.57% to 11.17%			52,210
<b>Total Other General Changes</b>		<b>-0-</b>	<b>\$ (87,380)</b>
<b>Total Changes</b>		<b>(3.00)</b>	<b>\$ (490,120)</b>



**Change from Fiscal Year 2004  
Approved to Recommended Budget**

Equal Opportunity Office						
	FY 2004		FY 2004	FY 2004		
	Approved		Recommended	Change		
<b>Financial Summary</b>						
Operating Budget						
General Purpose Funds	\$	713,170	\$	578,080	\$	(135,090)
<b>Total</b>	<b>\$</b>	<b>713,170</b>	<b>\$</b>	<b>578,080</b>	<b>\$</b>	<b>(135,090)</b>
<b>Staffing Summary</b>						
Permanent		9.00		8.00		(1.00)
<b>Total Staffing</b>		<b>9.00</b>		<b>8.00</b>		<b>(1.00)</b>
			<b>Recommended Change</b>			
			<b>Staffing</b>		<b>Budget</b>	
<b>Reductions to Balance the Budget</b>						
Equal Opportunity Office Reorganization				(1.00)	\$	(124,000)
This reorganization will transfer responsibility for the internal discrimination complaint program (\$69,000, one FTE) to the Human Resources Department and the Minority and Women Owned Business Enterprise function (\$55,000) will be federally-funded by the Department of Transportation.		<i>Permanent FTE</i>	<i>(1.00)</i>			
<b>Total Reductions to Balance the Budget</b>				<b>(1.00)</b>	<b>\$</b>	<b>(124,000)</b>
<b>Other General Changes</b>						
Reduction in merit and other salary adjustments					\$	(18,490)
Increase in pension rate from 9.57% to 11.17%						7,400
<b>Total Other General Changes</b>				<b>-0-</b>	<b>\$</b>	<b>(11,090)</b>
<b>Total Changes</b>				<b>(1.00)</b>	<b>\$</b>	<b>(135,090)</b>

**Change from Fiscal Year 2004  
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<b>Non-Departmental</b>			
	<b>FY 2004 Approved</b>	<b>FY 2004 Recommended</b>	<b>FY 2004 Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 17,488,840	\$ 14,681,630	\$ (2,807,210)
Federal Funding	166,110	966,110	800,000
Other Restricted Funding	53,005,440	49,906,800	(3,098,640)
<b>Total Operating Budget</b>	<b>\$ 70,660,390</b>	<b>\$ 65,554,540</b>	<b>\$ (5,105,850)</b>
Capital Budget			
General Fund: Certificates of Participation	\$ 4,000,000	\$ 7,200,300	\$ 3,200,300
General Fund: Restricted Trust Reserves	-0-	6,650,000	6,650,000
<b>Total Capital Budget</b>	<b>\$ 4,000,000</b>	<b>\$ 13,850,300</b>	<b>\$ 9,850,300</b>
<b>Department Total</b>	<b>\$ 74,660,390</b>	<b>\$ 79,404,840</b>	<b>\$ 4,744,450</b>
<b>Staffing Summary</b>			
Permanent	5.75	4.75	(1.00)
<b>Total Staffing</b>	<b>5.75</b>	<b>4.75</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget</b>			
Postpone Issuance of Certificates of Participation			\$ (585,140)
Debt service payments for certificates of participation will not be required as originally planned based on project schedules.			
Reduce Outside Agency Funding by 10%			(326,100)
Outside Agency budgets will be reduced 10% with the exception of Tucson Downtown Alliance (which operates under a five-year Enhanced Services Agreement), Pima Animal Control, and the Metropolitan Tucson Convention and Visitors Bureau (MTCVB). MTCVB is anticipated to be funded through an increase in the Transient Occupancy Tax (see Increase MTCVB funding).			
Operating Savings from the Sale of the A-7 Ranch		(3.00)	(276,290)
The cost of operating and maintaining the A-7 Ranch will not be required when it is sold.	Permanent FTE	(3.00)	
Debt service of \$285,730 will be paid from the sale proceeds.			

**Change from Fiscal Year 2004  
Approved to Recommended Budget**

<b>Non-Departmental</b>			
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Reductions to Balance the Budget (Continued)</b>			
Eliminate Civic Events Funding			\$ (200,000)
In-kind city support of civic event activities will be eliminated.			
Eliminate Contingency Fund			(175,000)
Mayor and Council funds for contingency requests for community events will be eliminated.			
Other Reductions			
Reduce General Expense funds			(348,000)
Miscellaneous reductions			(165,580)
Retiree medical premium savings			(99,950)
Reduce funding for Geographic Information System (GIS)			(84,000)
<b>Total Reductions to Balance the Budget</b>		<b>(3.00)</b>	<b>\$ (2,260,060)</b>
<b>Other General Changes</b>			
Rescheduling or elimination of debt financing			\$ (3,379,890)
Reduction in unallocated funding for merit and other salary adjustments			(3,027,360)
Reduction of A-7 Ranch grant funds			(282,500)
Rio Nuevo Project support staff		2.00	-0-
All staff costs in support of Rio Nuevo are charged to the Rio Nuevo fund.	<i>Permanent FTE (2.00)</i>		
Increase MTCVB funding			873,750
The city is working with MTCVB to increase the Transient Occupancy Tax, part of which would be dedicated to raising the city's contribution to MTCVB to \$3 million annually.			
Increase in employee health insurance benefit costs			3,000,000
Miscellaneous adjustments			(29,790)
<b>Total Other General Changes</b>		<b>2.00</b>	<b>\$ (2,845,790)</b>
<b>Capital Budget Changes</b>			
Carryforward from Fiscal Year 2003			\$ 10,892,900
Adjustments based on project schedules			(1,042,600)
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 9,850,300</b>
<b>Total Changes</b>		<b>(1.00)</b>	<b>\$ 4,744,450</b>

Position Changes to the Fiscal Year 2004 Budget			
	FY 2004 Approved	FY 2004 Recommended	FY 2004 Change
Elected and Official	248.75	235.75	(13.00)
Neighborhood Services	3,418.80	3,343.55	(75.25)
Environment and Development	1,385.00	1,385.00	-0-
Strategic Planning	85.50	78.75	(6.75)
Support Services	737.66	706.16	(31.50)
Non-Departmental	5.75	4.75	(1.00)
<b>Total</b>	<b>5,881.46</b>	<b>5,753.96</b>	<b>(127.50)</b>
<b>Position Change Detail</b>			
<b>Reductions to Balance the Budget</b>	<b>Permanent</b>	<b>Non-Permanent</b>	<b>Total Change</b>
<b>Elected and Official</b>			
City Manager			
Assistant to the City Manager	(1.00)	-0-	(1.00)
Community Relations Administrator	(1.00)	-0-	(1.00)
Special Projects Coordinator - City Manager's Office	(1.00)	-0-	(1.00)
Sub-Total	(3.00)	-0-	(3.00)
City Clerk			
Secretary	(3.00)	-0-	(3.00)
Sub-Total	(3.00)	-0-	(3.00)
City Attorney			
Principal Assistant City Attorney	(1.00)	-0-	(1.00)
Assignment: Deputy City Attorney			
Senior Legal Investigator	(2.00)	-0-	(2.00)
Legal Investigator	(2.00)	-0-	(2.00)
Legal Secretary	(1.00)	-0-	(1.00)
Secretary	(1.00)	-0-	(1.00)
Sub-Total	(7.00)	-0-	(7.00)
<b>Total Elected and Official</b>	<b>(13.00)</b>	<b>-0-</b>	<b>(13.00)</b>
<b>Neighborhood Services</b>			
City Court			
Administrative Assistant	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)

### Position Changes to the Fiscal Year 2004 Budget

<b>Neighborhood Services (Continued)</b>	<b>Permanent</b>	<b>Non-Permanent</b>	<b>Total Change</b>
Community Services			
Housing Technician	(1.00)	-0-	(1.00)
Secretary	(1.00)	-0-	(1.00)
Sub-Total	(2.00)	-0-	(2.00)
Fire			
Fire Captain	(4.00)	-0-	(4.00)
Fire Engineer	(3.00)	-0-	(3.00)
Paramedic	(7.00)	-0-	(7.00)
Fire Fighter	(7.00)	-0-	(7.00)
Sub-Total	(21.00)	-0-	(21.00)
Library			
Managing Librarian	(1.00)	-0-	(1.00)
Senior Librarian	(1.00)	-0-	(1.00)
Librarian	(3.00)	-0-	(3.00)
Library Associate	(2.00)	-0-	(2.00)
Senior Library Technical Assistant	(1.00)	-0-	(1.00)
Customer Service Clerk	(9.00)	-0-	(9.00)
Library Program Instructor	-0-	(0.50)	(0.50)
Library Page	-0-	(2.50)	(2.50)
Sub-Total	(17.00)	(3.00)	(20.00)
Neighborhood Resources			
Citizen and Neighborhood Services Administrator	(2.00)	-0-	(2.00)
Sub-Total	(2.00)	-0-	(2.00)
Parks and Recreation			
Community Events Manager	(1.00)	-0-	(1.00)
Management Analyst	(1.00)	-0-	(1.00)
Parks and Golf Area Supervisor	(2.00)	-0-	(2.00)
Aquatics Coordinator	(1.00)	-0-	(1.00)
Recreation Program Coordinator	(3.00)	-0-	(3.00)
Trade Specialist	(2.00)	-0-	(2.00)
Painter	(1.00)	-0-	(1.00)
Administrative Assistant	(1.00)	-0-	(1.00)
Senior Account Clerk	(1.00)	-0-	(1.00)
Recreation Assistant	(0.50)	-0-	(0.50)
Groundskeeper	(3.00)	-0-	(3.00)
Seasonal Swimming Pool Supervisor	-0-	(0.25)	(0.25)

Position Changes to the Fiscal Year 2004 Budget			
Neighborhood Services (Continued)	Permanent	Non-Permanent	Total Change
Parks and Recreation (Continued)			
Seasonal Senior Recreation Worker	-0-	(1.25)	(1.25)
Seasonal Class Instructor	-0-	(12.50)	(12.50)
Seasonal Recreation Worker	-0-	(0.75)	(0.75)
Sub-Total	(16.50)	(14.75)	(31.25)
Police			
Police Personnel Manager	(1.00)	-0-	(1.00)
Graphic Arts Specialist	(1.00)	-0-	(1.00)
Sub-Total	(2.00)	-0-	(2.00)
<b>Total Neighborhood Services</b>	<b>(61.50)</b>	<b>(17.75)</b>	<b>(79.25)</b>
<b>Environment and Development</b>			
Solid Waste Management			
Equipment Operation Specialist	(1.00)	-0-	(1.00)
Public Information Specialist	(1.00)	-0-	(1.00)
Sub-Total	(2.00)	-0-	(2.00)
<b>Total Environment and Development</b>	<b>(2.00)</b>	<b>-0-</b>	<b>(2.00)</b>
<b>Strategic Initiatives</b>			
Tucson Convention Center			
Management Coordinator	(1.00)	-0-	(1.00)
Convention Center Stage Manager	(1.00)	-0-	(1.00)
Building Maintenance Worker	(1.00)	-0-	(1.00)
Cashier	-0-	(0.75)	(0.75)
Sub-Total	(3.00)	(0.75)	(3.75)
Office of Economic Development			
Motion Picture Coordinator	(1.00)	-0-	(1.00)
Administrative Assistant	(1.00)	-0-	(1.00)
Secretary	(1.00)	-0-	(1.00)
Sub-Total	(3.00)	-0-	(3.00)
<b>Total Strategic Initiatives</b>	<b>(6.00)</b>	<b>(0.75)</b>	<b>(6.75)</b>
<b>Support Services</b>			
Budget and Research			
Special Projects Coordinator - City Manager's Office	(1.00)	-0-	(1.00)
Budget Analyst	(1.00)	-0-	(1.00)
Sub-Total	(2.00)	-0-	(2.00)

Position Changes to the Fiscal Year 2004 Budget			
Support Services (Continued)	Permanent	Non-Permanent	Total Change
Finance			
Risk Management Coordinator	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)
Human Resources			
Senior Human Resources Analyst	(2.00)	-0-	(2.00)
Sub-Total	(2.00)	-0-	(2.00)
Information Technology			
Information Technology Manager	(2.00)	-0-	(2.00)
Computer Operator	(1.00)	-0-	(1.00)
Technological Intern	(0.50)	-0-	(0.50)
Sub-Total	(3.50)	-0-	(3.50)
Operations			
Architect	(1.00)	-0-	(1.00)
Electrical Engineer	(1.00)	-0-	(1.00)
Facilities Management Superintendent	(1.00)	-0-	(1.00)
Facilities Management Supervisor	(1.00)	-0-	(1.00)
Fleet Services Superintendent	(1.00)	-0-	(1.00)
Senior Electronics Technician	(1.00)	-0-	(1.00)
Electrician	(1.00)	-0-	(1.00)
Facilities Project Coordinator	(1.00)	-0-	(1.00)
HVAC-R Mechanic	(2.00)	-0-	(2.00)
Automotive Mechanic	(3.00)	-0-	(3.00)
Senior Heavy Equipment Mechanic	(2.00)	-0-	(2.00)
Accountant	(1.00)	-0-	(1.00)
Administrative Assistant	(1.00)	-0-	(1.00)
Senior Fleet Service Technician	(5.00)	-0-	(5.00)
Data Control Clerk	(1.00)	-0-	(1.00)
Sub-Total	(23.00)	-0-	(23.00)
Procurement			
Contract Administrator	(1.00)	-0-	(1.00)
Senior Reprographics Technician	(1.00)	-0-	(1.00)
Senior Storekeeper	(1.00)	-0-	(1.00)
Sub-Total	(3.00)	-0-	(3.00)
Equal Opportunity Office			
Equal Opportunity Specialist	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)
<b>Total Support Services</b>	<b>(35.50)</b>	<b>-0-</b>	<b>(35.50)</b>

Position Changes to the Fiscal Year 2004 Budget			
<b>Non-Departmental</b>	<b>Permanent</b>	<b>Non-Permanent</b>	<b>Total Change</b>
General Expense			
Lead Ranch Worker	(1.00)	-0-	(1.00)
Ranch Worker	(2.00)	-0-	(2.00)
Sub-Total	(3.00)	-0-	(3.00)
<b>Total Non-Departmental</b>	<b>(3.00)</b>	<b>-0-</b>	<b>(3.00)</b>
<b>Total Reductions to Balance the Budget</b>	<b>(121.00)</b>	<b>(18.50)</b>	<b>(139.50)</b>
<b>Other General Changes</b>			
<b>Elected and Official</b>			
City Manager			
Assistant City Manager	1.00	-0-	1.00
Assistant to the City Manager	1.00	-0-	1.00
Special Projects Coordinator - City Manager's Office	(1.00)	-0-	(1.00)
Management Coordinator	(1.00)	-0-	(1.00)
Annexation Coordinator	(1.00)	-0-	(1.00)
Executive Secretary	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-
<b>Total Elected and Official</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Neighborhood Services</b>			
Library			
Librarian	1.00	-0-	1.00
Library Associate	1.50	-0-	1.50
Customer Service Clerk	0.50	-0-	0.50
Library Page	-0-	0.50	0.50
Library Program Instructor	-0-	0.50	0.50
Sub-Total	3.00	1.00	4.00
<b>Total Neighborhood Services</b>	<b>3.00</b>	<b>1.00</b>	<b>4.00</b>
<b>Environment and Development</b>			
Development Services			
Environmental Inspector	2.00	-0-	2.00
Sub-Total	2.00	-0-	2.00



Position Changes to the Fiscal Year 2004 Budget			
Environment and Development (Continued)	Permanent	Non-Permanent	Total Change
Comprehensive Planning Task Force			
Historic Preservation Program Manager	1.00	-0-	1.00
Transportation Administrator	2.00	-0-	2.00
Annexation Coordinator	1.00	-0-	1.00
Project Manager	2.00	-0-	2.00
Public Information Specialist	1.00	-0-	1.00
Executive Assistant	1.00	-0-	1.00
Administrative Assistant	1.00	-0-	1.00
Sub-Total	9.00	-0-	9.00
Transportation			
Transportation Administrator	(2.00)	-0-	(2.00)
Environmental Inspector	(2.00)	-0-	(2.00)
Project Manager	(2.00)	-0-	(2.00)
Sub-Total	(6.00)	-0-	(6.00)
Tucson Water			
Public Information Specialist	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)
Historic Preservation Office			
Historic Preservation Program Manager	(1.00)	-0-	(1.00)
Administrative Assistant	(1.00)	-0-	(1.00)
Sub-Total	(2.00)	-0-	(2.00)
<b>Total Environment and Development</b>	<b>2.00</b>	<b>-0-</b>	<b>2.00</b>
<b>Support Services</b>			
Operations			
Public Safety Dispatcher	4.00	-0-	4.00
Sub-Total	4.00	-0-	4.00
<b>Total Support Services</b>	<b>4.00</b>	<b>-0-</b>	<b>4.00</b>
<b>Non-Departmental</b>			
General Expense			
Project Manager	1.00	-0-	1.00
Staff Assistant	1.00	-0-	1.00
Sub-Total	2.00	-0-	2.00
<b>Total Non-Departmental</b>	<b>2.00</b>	<b>-0-</b>	<b>2.00</b>
<b>Total Other General Changes</b>	<b>11.00</b>	<b>1.00</b>	<b>12.00</b>
<b>Total Position Changes</b>	<b>(110.00)</b>	<b>(17.50)</b>	<b>(127.50)</b>

## Section C

# *Legal Authorization*

TRANSPORTATION



DOWNTOWN



GROWTH



GOOD  
GOVERNMENT

ECONOMIC DEVELOPMENT



NEIGHBORHOODS



## LEGAL REQUIREMENTS

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The city's budget is subject to requirements set by the State of Arizona's Constitution and statutes, and the Tucson City Charter.

### LEGAL REQUIREMENTS IMPOSED BY THE STATE

#### State Spending Limitation

Tucson, like all cities in the State of Arizona, is subject to numerous budgetary and related legal requirements. Article IX, Section 20(1) of the Arizona Constitution sets out limits on the city's legal budget capacity. In general, the Mayor and Council cannot authorize expenditures of local revenues in excess of the expenditure limitation determined annually by the State of Arizona's Economic Estimates Commission (EEC). This limitation is based on the city's actual expenditures incurred during Fiscal Year 1980, adjusted to reflect subsequent inflation and population growth. Not subject to this limit are items such as bond proceeds, related debt service, interest earnings, certain highway user revenue funds, federal funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. Each year the EEC recalculates expenditure limitations for population growth and inflation, using the federal Gross Domestic Product (GDP) index to account for inflationary increases.

On November 3, 1987, in accordance with state statutes, the voters of Tucson passed a \$46.9 million increase in the expenditure base used to calculate the city's expenditure limitation. The effect is a permanent increase in the city's expenditure limitation, which the city has used for purposes of improved police, recreational, water, transportation, and fire protection services.

#### Property Tax Levy Limitation

The Arizona Constitution and Arizona Revised Statutes (ARS) specify a property tax levy limitation system. This system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy may be imposed for all purposes, while the secondary levy may only be used to retire the principal and interest or redemption charges on general obligation bonded indebtedness.

*Primary Property Tax Levy:* There is a strict limitation on how much the city can levy as a primary property tax. This primary property tax levy is limited to an increase of 2% over the previous year's maximum allowable primary levy, plus an increased dollar amount due to a net gain in property not taxed the previous year (ARS §42-17051). Even if the city does not adopt the maximum allowable levy from year to year, the 2% allowable increase will be based on the prior year's "maximum allowable levy." The "net new property" factor is included in the calculation to take into account all new construction and any additional property added to a community due to an annexation. The 2% increase applies to all taxable property.

*Secondary Property Tax Levy:* The secondary property tax allows the city to levy a property tax for the purpose of retiring the principal and paying interest on general obligation bonds. This levy is referred to as the "unlimited" levy because this property tax may be levied in an amount to make necessary interest payments on, and for the retirement of, general obligation bonds issued by the city.

Not only is the dollar amount of the secondary property tax levy "unlimited," the actual full cash value of property that is used in determining the tax rate will be increased by changes in market value without a cap (Article 9, Section 18 and 19, Arizona Constitution). Unlike the primary tax system which uses a controlled assessment system to determine the tax rate, state laws allow the city to levy the amount of secondary property tax necessary to pay off its general obligation bonds.

#### Budget Adoption

State law (ARS §42-17101) requires that on or before the third Monday in July of each fiscal year, the Mayor and Council must adopt a tentative budget. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption. In effect, with the adoption of the tentative budget, the council has set its maximum "limits" for expenditure, but these limits may be reduced upon final adoption.

Once the tentative budget has been adopted, it must be published once a week for at least two consecutive weeks. The tentative budget must be fully itemized in accordance with forms supplied by the auditor general and included in the council meeting minutes.

State law (ARS §42-17104, §42-17105) specifies that seven or more days prior to the date the property tax levy is adopted, the city or town council must adopt the final budget for the fiscal year by roll call vote at a special meeting called for that purpose. State law requires adoption of the tax levy on or before the third Monday in August. The adopted budget then becomes the amount proposed for expenditure in the upcoming fiscal year and shall not exceed the total amount proposed for expenditure in the published estimates (ARS §42-17106). Once adopted, no expenditures shall be made for a purpose not included in the budget and no expenditures shall be made in excess of the amounts specified for each purpose in the budget, except as provided by law. This restriction applies whether or not the city has at any time received, or has on hand, funds or revenue in excess of those required to meet expenditures incurred under the budget. Federal and bond funds are not subject to this requirement.

### **Adoption Of Tax Levy**

State law (ARS §42-17107) governing truth in taxation notice and hearing requires that on or before July 1st, the county assessor shall transmit to the city an estimate of the total net assessed valuation of the city, including an estimate of new property that has been added to the tax roll since the previous levy of property taxes in the city. If the proposed primary property tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied by the city in the preceding year, the governing body shall publish a notice of tax increase. The truth in taxation hearing must be held prior to the adoption of the property tax levy.

The tax levy for the city must be adopted on or before the third Monday in August (ARS §42-17151). The tax levy must be specified in an ordinance adopted by the Mayor and Council. The levy is for both the primary and secondary tax.

### **Budget Revisions**

ARS §42-17106 requires that no expenditures be made for a purpose not included in the adopted budget in any fiscal year in excess of the amount specified for each purpose in the budget. The City of Tucson in its annual Budget Adoption Resolution defines “purpose” as a series of departments and offices organized into the following six program categories:

- 1) Elected and Official
- 2) Neighborhood Services
- 3) Environment and Development
- 4) Strategic Initiatives
- 5) Support Services
- 6) Non-Departmental

The departments within a given program category are held accountable for their budget. Each department and the Budget and Research Department continuously monitor expenditures. If budget changes are needed, city departments prepare budget change requests that identify the areas to be increased and decreased. The Director of Budget and Research approves these budget change requests; under special circumstances the City Manager or his designee also approves the change requests. If there are major policy or program implications associated with a change, the City Manager may submit it to the Mayor and Council for approval. Once approved, the revised appropriation is entered into the city’s financial management system.

ARS §42-17106 permits the Mayor and Council, on the affirmation of a majority of the members at a duly noticed public meeting, to authorize the transfer of funds between program categories if the funds are available so long as the transfer does not violate the state set spending limitations.

## **LEGAL REQUIREMENTS IMPOSED BY THE CITY CHARTER**

Certain legal requirements of the City Charter—property tax limitation and scheduling of budget adoption—are more restrictive than state law.

### **Property Tax Levy Limitation**

Chapter IV, Section 2 of the Tucson Charter sets an upper property tax limit of \$1.75 per \$100 assessed value. Therefore, state laws notwithstanding, the city cannot levy a combined primary and secondary property tax that exceeds \$1.75.

### **Fiscal Year**

The fiscal year of the city begins the first day of July of each year. (Tucson City Charter, Chapter XIII, Section 1)

### **Submission of the Recommended Budget**

The City Charter requires that the City Manager prepare a written estimate of the funds required to conduct the business and affairs of the city for the next fiscal year. This estimate, which is the recommended budget, is due on or before the first Monday in May of each year, or on such date in each year as shall be fixed by the Mayor and Council. (Tucson City Charter, Chapter XIII, Section 3)

### **Budget Approval**

On or before the first Monday in June of each year, or on such date in each year as shall be fixed by the Mayor and Council, the City Manager is required to submit to the Mayor and Council an estimate of the probable expenditures for the coming fiscal year, stating the amount in detail required to meet all expenditures necessary for city purposes, including interest and sinking funds, and outstanding indebtedness. Also required is an estimate of the amount of income expected from all sources and the probable amount required to be raised by taxation to cover expenditures, interest, and sinking funds. (Tucson City Charter, Chapter XVIII, Section 4)

### **Budget Publication and Hearings**

The budget has to be prepared in detail sufficient to show the aggregate sum and the specific items allowed for each and every purpose. The budget and a notice that the Mayor and Council will meet for the purpose of making tax levies must be published in the official newspaper of the city once a week for at least two consecutive weeks following the tentative adoption of such budget. (Tucson City Charter, Chapter XVIII, Section 5)

### **Adoption of the Budget and Tax Levy**

The Mayor and Council are required to hold a public hearing at least one week prior to the day on which tax levies are made, so that taxpayers may be heard in favor of or against any proposed tax levy.

After the hearing has been concluded, the Mayor and Council adopt the budget as finally determined upon. All taxes are to be levied or voted upon in specific sums and cannot exceed the sum specified in the published estimate. (Tucson City Charter, Chapter XVIII, Section 6 and Ordinance Number 1142, effective 6-23-48)

### **City Ordinance Setting the Tax Rate**

On the day set for making tax levies, and not later than the third Monday in August, the Mayor and Council must meet and adopt an ordinance that levies upon assessed valuation of property within the city a rate of taxation sufficient to raise the amounts estimated to be required in the annual budget. (Tucson City Charter, Chapter XVIII, Section 7 and Ordinance Number 1142, effective 6-23-48)

## **THE CITY'S BUDGET PROCESS**

While state and city legal requirements dictate certain facets of the budget process, the budget evolves through a number of steps: (1) identification of priorities, (2) a five-year forecast of revenues and expenditures, (3) department requests and the city manager's recommendation, and (4) Mayor and Council adoption.

A significant change to the budget process in Fiscal Year 2003 was the inclusion of a second year. Fiscal Year 2004 is the second year of the biennial budget.

### **Step 1: Identification of Priorities**

In October 1996 the Mayor and Council adopted the "Strategic Cycle for Budget Development and Planning," a process for allocating resources based on identified community values and priorities. The Fiscal Year 2003 budget is the fifth budget to go through all phases of that process, which involved the community in identifying shared values, setting city service priorities, allocating resources to programs and projects, and evaluating the success of programs and projects.

To identify the community's values and priorities, public forums were conducted during the spring and summer of 1997 as part of the *Livable Tucson Vision Program*. Over 1,200 community members, business people, and city employees participated. Seventeen goals for strengthening the community emerged from these forums. These goals are used by departments and city management to assess programs and projects during the preparation of the budget.

The City Strategic Plan was developed to further guide resources towards priority areas and to focus attention on the results to be achieved. In December 2001, the Mayor and Council adopted six focus areas for Fiscal Years 2003 and 2004: Transportation, Downtown, Growth, Neighborhoods, Economic Development, and Good Government. Within each

focus area, a set of strategies and priority projects were approved. Taken collectively, these projects set the workplan for the city during Fiscal Years 2003 and 2004.

## **Step 2: Five-Year Forecast of Revenues and Expenditures**

Each summer a five-year financial forecast—the proforma—is prepared for all sources of funds. This financial forecast takes into consideration economic factors and strategic plans implemented by the city. All departments participate by projecting their expenditures, which are reviewed and modified by the Budget and Research Department. The Finance Department projects revenues. The expenditure and revenue forecasts are collated by the Budget and Research Department and presented to the city manager. The proforma then serves as a baseline from which to develop a balanced budget for the coming year.

## **Step 3: Department Requests and the City Manager's Recommendation**

In the fall, department directors are asked to submit budget requests. Following a review by the Budget and Research Department and the Operating Budget Review Committee, each department's requested budget is reviewed by the City Manager. The city manager, acting upon citywide priorities, will revise department requested budgets and prepare a balanced budget for Mayor and Council consideration.

## **Step 4: Mayor and Council Adoption**

As noted earlier, this step in the process is governed by both state and city legal requirements and provides for citizen comment.

*Public Hearings:* Citizens are provided three public hearings to express to the Mayor and Council their opinions and concerns about the recommended budget and property tax levy. The first public hearing is held prior to the Mayor and Council's study session reviews of the recommended budget. The second public hearing is held subsequent to those reviews and the Mayor and Council's tentative adoption of the budget. The third public hearing is a truth in-taxation hearing regarding the primary property tax levy.

*Citizens Advisory Committees:* The Mayor and Council have also established two citizen advisory committees for budget oversight: the Budget Advisory Committee (BAC) and the Bond Project Oversight Committee (BPOC). The BAC reviews the budget and financial policies of the city to ensure the Mayor and Council's intentions are carried out. The BPOC tracks the city's use of bond funds through regular committee meetings and attendance at project management reviews.

*Mayor and Council Review and Adoption:* Within the framework of the identified community priorities and the policy initiatives, the Mayor and Council review the city manager's recommended budget over four study sessions. Department directors are available to respond to questions. Following these reviews and public hearings to obtain taxpayer comments, the Mayor and Council adopt the budget and property tax levy.

**STATEMENT REQUIRED BY ARIZONA REVISED STATUTES 42-17102  
RELATIVE TO PROPERTY TAXATION**

**PRIMARY AND SECONDARY TAX LEVIES  
FISCAL YEARS 2003 AND 2004**

Property Tax	FY 2003 Levy	FY 2003 Revised (Estimated)	FY 2004 Levy	FY 2004 Maximum Levy Amount	Amount of Levy Increase/ (Decrease)	Percentage Levy Increase/ (Decrease)
Primary	\$ 4,601,930	\$ 4,601,930	\$ 8,477,330	\$ 8,477,330 <sup>1</sup>	\$ 3,875,400	84.2% <sup>2</sup>
Secondary	20,674,970	20,674,970	23,055,320 <sup>3</sup>	23,055,320	2,380,350	11.5%
Total	\$ 25,276,900	\$ 25,276,900	\$ 31,532,650	\$ 31,532,650	\$ 6,255,750	24.7%

Property Tax	Actual FY 2003 Rate	Estimated FY 2004 Rate <sup>4</sup>	Amount Rate Increase/ (Decrease)	Percentage Rate Increase/ (Decrease)
Primary	\$ 0.2089	\$ 0.3611	\$ 0.1522	72.9%
Secondary	0.9113	0.9480	0.0367	4.0%
Total	\$ 1.1202	\$ 1.3091	\$ 0.1889	16.9%

<sup>1</sup> The primary property tax levy is shown at the estimated maximum possible amount. The actual maximum amount may be less.

<sup>2</sup> The primary property tax levy is limited to an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed in the previous year. The net new property factor is included in the calculation to take into account all new construction and property annexed in the last year.

<sup>3</sup> A sale of \$25 million in general obligation bonds is assumed for 2003.

<sup>4</sup> Both of these rates may differ depending upon the final actual assessed valuations.

**CITY OF TUCSON  
PROPERTY TAX SUMMARY**

Taxing Jurisdiction	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
State of Arizona	\$ 0.47	\$ 0.47	\$ 0.47	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Pima County <sup>1</sup>	5.34	5.27	5.28	5.24	5.34	5.41	5.74	5.72	5.68	5.60
Tucson Unified School District <sup>2</sup>	5.80	6.16	6.29	6.99	6.46	6.26	6.03	6.05	5.86	5.74
Pima Community College	1.06	1.10	1.22	1.24	1.18	1.19	1.37	1.56	1.55	1.53
Flood Control District	0.54	0.46	0.36	0.36	0.33	0.32	0.30	0.30	0.35	0.35
Fire District	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04
Central Arizona Project (CAP) - Conservation District	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.13	0.13	0.13
Sub-Total without the City of Tucson	\$ 13.41	\$ 13.65	\$ 13.81	\$ 14.02	\$ 13.50	\$ 13.37	\$ 13.63	\$ 13.81	\$ 13.62	\$ 13.39
City of Tucson	1.09	1.16	1.15	1.15	0.99	0.96	1.02	1.13	1.12	1.12
Total <sup>3</sup>	\$ 14.50	\$ 14.81	\$ 14.96	\$ 15.17	\$ 14.49	\$ 14.33	\$ 14.65	\$ 14.94	\$ 14.74	\$ 14.51
Percent increase/(decrease) from prior year	6.9%	2.1%	1.0%	1.4%	(4.5%)	(1.1%)	2.2%	2.0%	(1.3%)	(1.6%)
Assessed Valuation										
Primary (in billions)	\$ 1.471	\$ 1.498	\$ 1.530	\$ 1.582	\$ 1.727	\$ 1.830	\$ 1.887	\$ 1.999	\$ 2.088	\$ 2.203
Secondary (in billions)	\$ 1.487	\$ 1.547	\$ 1.569	\$ 1.599	\$ 1.819	\$ 1.904	\$ 1.945	\$ 2.049	\$ 2.138	\$ 2.269

<sup>1</sup> Includes the Education Assistance rate (\$0.49 in Fiscal Year 2003).

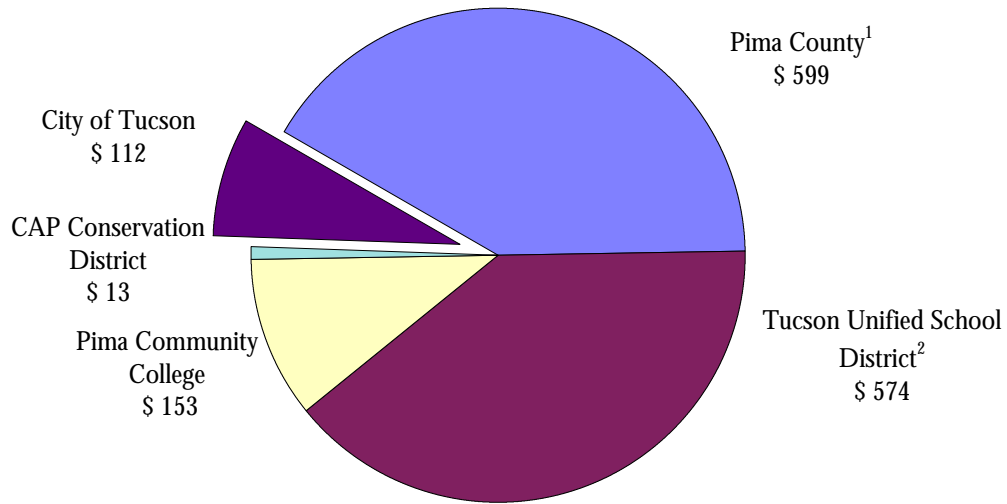
<sup>2</sup> Tucson Unified School District tax levy reflects State Aid to Education reduction (\$3.53 in Fiscal Year 2003).

<sup>3</sup> Does not include any special assessment districts.



**City of Tucson**  
**Residential Property Owner Tax Valuation**  
**Fiscal Year 2003 Property Taxes**

Owner-Occupied Home with Assessed Valuation of \$100,000



	Tax Rate Per \$1,000	Total Tax Amount <sup>3</sup>	Percent of Total
Pima County <sup>1</sup>	\$ 5.99	\$ 599.00	41.3%
Tucson Unified School District <sup>2</sup>	5.74	574.00	39.6%
Pima Community College	1.53	153.00	10.5%
Central Arizona Project (CAP) Conservation District	0.13	13.00	0.9%
Sub-Total	\$ 13.39	\$ 1,339.00	92.3%
City of Tucson	1.12	112.00	7.7%
Total	\$ 14.51	\$ 1,451.00	100.0%

<sup>1</sup> Includes Flood Control and Fire District tax rates.

<sup>2</sup> Tucson Unified School District actual levy after decreased for State Aid to Education.

<sup>3</sup> The tax amount is calculated on 10% of the assessed value for tax purposes.



## Section D

# Community Statistical Profile

### TRANSPORTATION



DOWNTOWN



GROWTH



GOOD  
GOVERNMENT

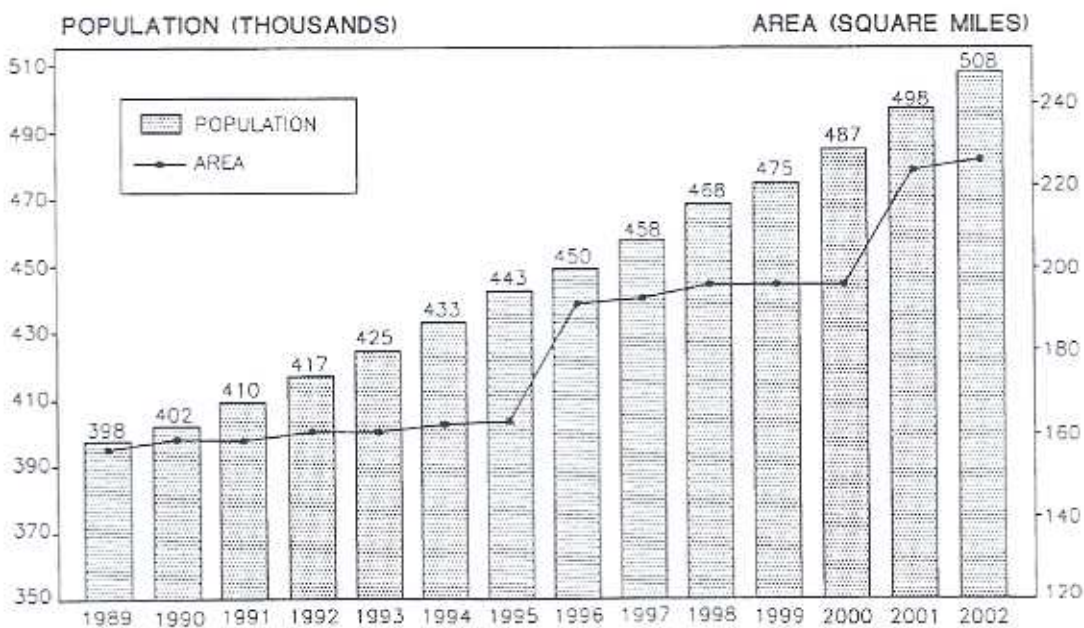
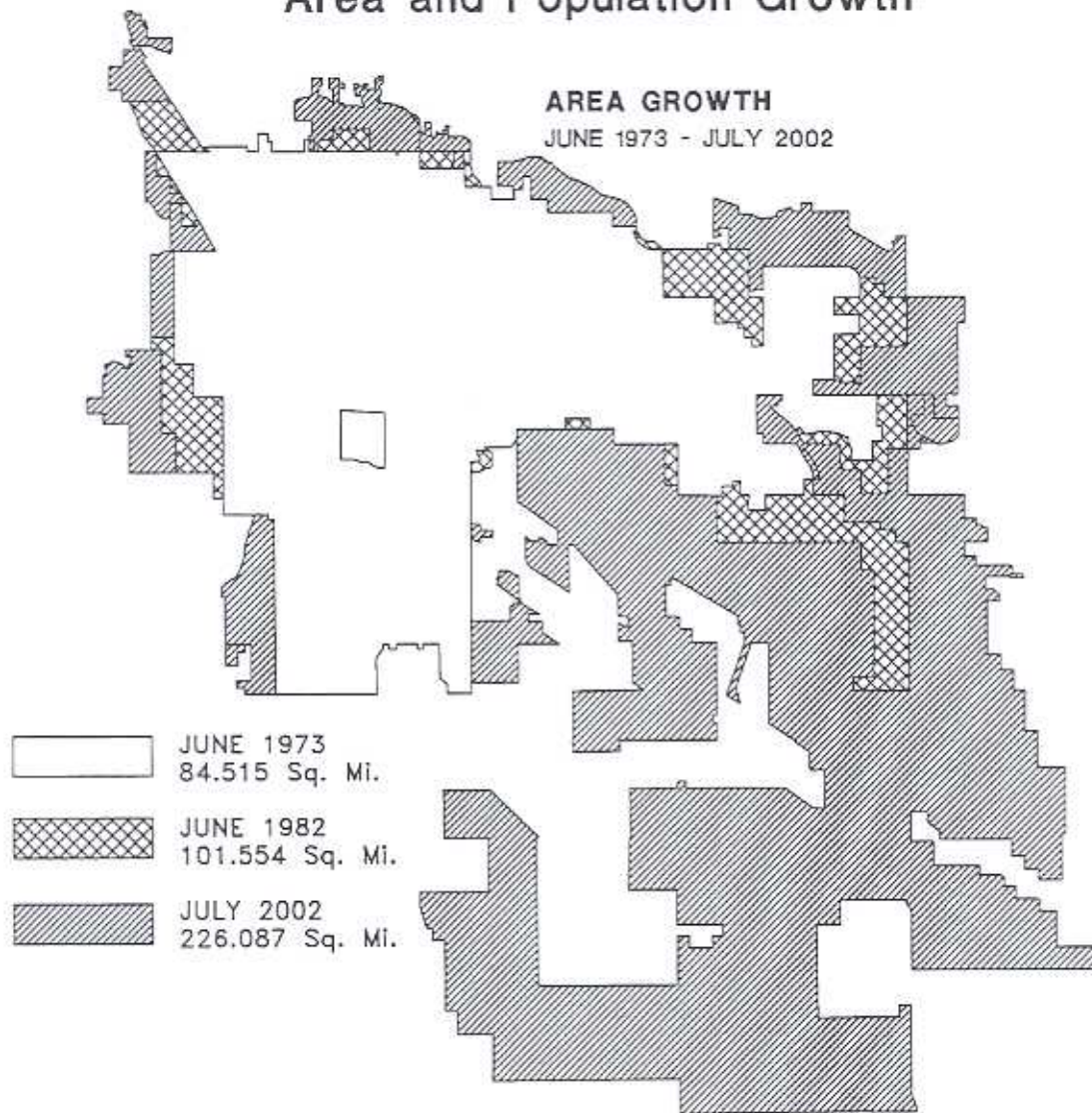
ECONOMIC DEVELOPMENT



NEIGHBORHOODS

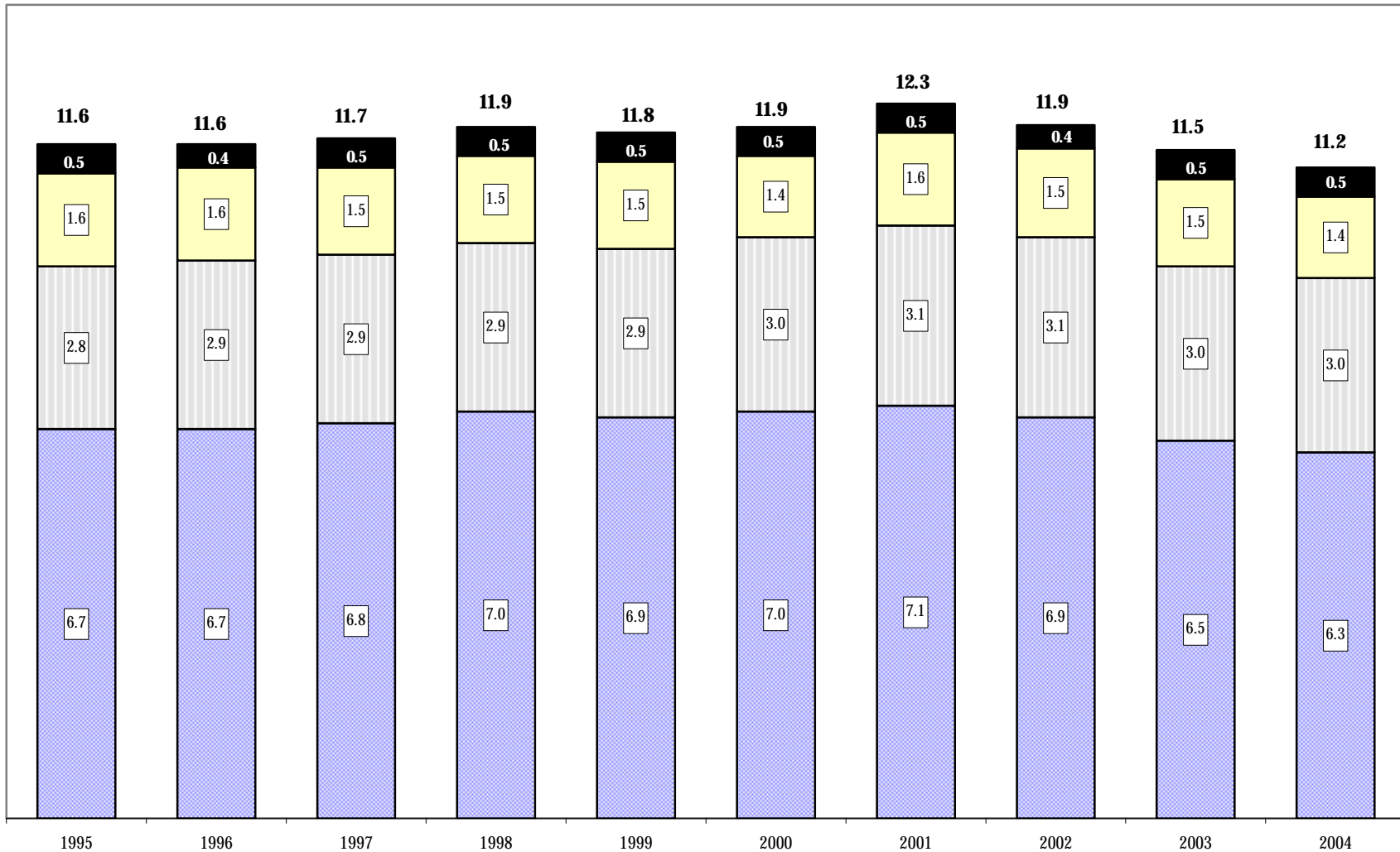


# City of Tucson Area and Population Growth



## NUMBER OF CITY EMPLOYEES PER 1,000 POPULATION

Recurring Revenues  
 Utilities (Golf and Water)  
 Commissioned Public Safety Personnel  
 Grant-Funded Positions



## SELECTED ECONOMIC INDICATORS

### Tucson Metro Area

Description	2002	Calendar Year		2005
		2003	2004	
Personal Income (Billions of Dollars)	\$ 21.760	\$ 23.124	\$ 24.918	\$ 26.606
Percentage Change Over Prior Year	3.6	6.3	7.8	6.8
Retail Sales Without Food (Billions of Dollars)*	\$ 7.044	\$ 7.399	\$ 7.930	\$ 8.378
Percentage Change Over Prior Year	1.13	5.05	7.17	5.65
Residential Building Permits (Units)	8,095	7,379	7,806	7,742
Percentage Change Over Prior Year	(0.7)	(8.9)	5.8	(0.8)
Population (000)**	889.2	909.0	933.9	955.8
Percentage Change Over Prior Year	2.1	2.2	2.7	2.3
Wage and Salary Employment (000)	347.4	357.2	374.0	386.6
Percentage Change Over Prior Year	(1.0)	2.8	4.7	3.4
Employment/Population Ratio	.391	.393	.400	.404
Real Per Capita Disposable Income (1982 Dollars)	\$ 11,609	\$ 11,936	\$ 12,272	\$ 12,448
Percentage Change Over Prior Year	1.4	2.8	2.8	1.4
Annual Earnings Per Worker	\$ 31,162	\$ 32,486	\$ 33,543	\$ 34,560
Percentage Change Over Prior Year	3.5	4.2	3.3	3.0
Consumer Price Index (CPI) Western Region (Percentage Change)	2.2	2.3	2.4	2.6
Personal Consumption Deflator (Percentage Change)	1.4	2.1	2.3	2.4
Gross Domestic Product (GDP) Implicit Price Deflator (Percentage Change)	1.2	2.0	2.4	2.3
Gasoline Sales (Millions of Gallons)	404.1	417.2	448.2	470.5
Percentage Change Over Prior Year	3.1	3.2	7.4	5.0

**Source:** Economic Outlook, February 2003, Economics and Business Research Program, Eller College of Business and Public Administration, The University of Arizona.

\*Calculated by combining expenditures for retail sales less food with restaurant and bar sales.

\*\*Population projections were made prior to Census 2000 using different base data than population data on page D-6.



# COMMUNITY PROFILE

## TUCSON - Combining a Rich History with a Bright Future

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*Permanent settlements were built in Tucson nearly 2,000 years ago by people of the Hohokam culture.*



### **A Long History of Many Cultures**

The Hohokam culture thrived in this region until it suddenly declined during the fourteenth century. Native American cultures believed to be probable descendants of the Hohokam were joined by new arrivals from Spain, Mexico, and the eastern United States.

Mission San Xavier del Bac, the “White Dove of the Desert,” was established by the Franciscan Order in the late 1600s and still serves the Tohono O’Odham Native American community. The mission was recently restored, with the cleaning of interior frescoes done by European artists who trained local Tohono O’Odham tribal members in the craft.

More than 300 years after Tucson’s founding as a mission site, the “Old Pueblo” continues to grow and celebrate its diverse cultural influences.

### **An Interesting Place to Live**

Located in the Sonoran Desert, Tucson is surrounded by mountain ranges and lush desert valleys. Tucsonans enjoy over 300 days of sunshine each year and an average temperature of 82 degrees. In *Money Magazine’s* 1998 ranking of 300 cities, Tucson was selected as the fifth “Best Place to Live” for medium-size cities in the West.

Leisure activities are boundless. The Tucson area has more than 27,000 acres of park lands. In the nearby mountains and deserts, there are many places to camp, hike, and fish; the southern Arizona region is ranked one of the five best areas in the United States for bird watching. Golfing is available year-round on over 30 public and private golf courses, and the Tucson area annually hosts a Professional Golfers’ Association (PGA) and a Ladies Professional Golf Association (LPGA) golf tournament. In the winter, skiing is only a one-hour drive from Tucson.

The University of Arizona provides a full range of intercollegiate athletic events. The women’s softball team has won repeated National Collegiate Athletic Association (NCAA) championships. The men’s basketball team won the NCAA championship in 1997 and were runners up in the championship in 2001. Tucson is the spring training home for three major league baseball teams: Arizona Diamondbacks, Chicago White Sox, and Colorado Rockies. In addition, the Tucson Sidewinders, a AAA affiliate of the Arizona Diamondbacks, offers a full schedule of summer baseball.

Tucson provides opportunities to stimulate the mind as well as the body. The University of Arizona offers undergraduate, graduate, and doctoral degree programs and has an extension program open to the public. Pima Community College is the fifth largest multi-campus community college in the nation and offers courses in 64 program areas.



There are over 215 arts groups and over 35 art galleries in Tucson. Tucson's downtown arts district hosts over 800 arts and cultural events annually, with many other events and fairs available throughout Tucson. Many museums and other attractions are located in the Tucson area. Included are the Tucson Museum of Art, the Arizona Historical Society Museum, the Arizona State Museum, the Center for Creative Photography, the Tucson Children's Museum, the Fort Lowell Museum, the Pima Air and Space Museum, Biosphere 2, the Tucson Botanical Gardens, the Reid Park Zoo, the Flandrau Planetarium, the Kitt Peak National Observatory, the San Xavier del Bac Mission, and the Arizona-Sonora Desert Museum (rated as one of America's top ten zoos by *Parade Magazine*).

### **We Mean Business**

Tucson's business environment is as agreeable as its natural climate. Tourism, which accounted for over \$1.8 billion in the past year, will continue to be a major contributor to the region's economic base. Not just the service sector is booming: manufacturing employment in metropolitan Tucson has more than doubled in the past ten years. Tucson is home to a premier research institution—the University of Arizona—and is recognized as one of the megatrend cities for the 21st century with its emerging presence as a center for optics, astronomy, and health services.

### **Balancing Growth and Preservation**

The City of Tucson, incorporated in 1877, is the second largest city in the State of Arizona. Tucson is forecast to have a population of over 510,000 in 2003. As with many communities in the West, growth has occurred at the edges of the urban area.

*City leaders are committed to ensuring that growth will complement existing neighborhoods.*

To ensure that areas in the central city remain attractive places to live and work, the City of Tucson works with neighborhoods through the Department of Neighborhood Resources and has initiated a *Back to Basics* program that directs financial resources to targeted areas. The aim of *Back to Basics* is to maintain and improve neighborhoods by collaborating with residents, businesses, and schools. Neighborhood residents are able to choose from a menu of options to determine for themselves how the financial resources are applied. Because "downtown is everyone's neighborhood," a special program has also been established to enhance downtown as a business, cultural, and residential area.



# COMMUNITY PROFILE

## Key Statistics

### City Government

Tucson is the county seat for Pima County. Pima County is the second largest in population in Arizona. By charter from the State of Arizona, the City of Tucson is governed by a Mayor and Council. Council members are nominated by each of the six wards, but are elected in citywide elections. The Mayor is nominated and elected citywide. The Mayor and Council set policy and appoint a city manager to provide the general supervision and direction for city government operations.

### Demographics

Tucson is growing: 45th largest city in 1980, 34th largest in 1990, and the 30th largest in 2000.

#### Population

	Tucson	Pima County
1990	405,390	666,880
2000	486,699	847,600
2001	498,305	870,610
2002	507,085	890,545
2003	514,350	911,200
2004*	530,361	933,600

#### Land Area

1990	158.30 square miles
1996	191.88 square miles
1997	193.99 square miles
1998	194.15 square miles
1999	194.36 square miles
2000	196.32 square miles
2001	223.36 square miles
2002	225.99 square miles
2003*	226.09 square miles

#### Land Use, 1990

Undeveloped	38.72%
Residential	30.70%
Commercial	5.83%
Government	4.48%
Industrial	4.11%
Open Space	4.02%
Agricultural	1.04%
Other	11.10%

#### Racial/Ethnic Composition, 2000

White, Non-Hispanic	54.2%
Hispanic	35.7%
Black	4.1%
Native American	1.6%
Asian/Pacific Islander	2.5%
Other	1.9%

#### Median Age

1970	25.7 years
1980	28.3 years
1990	30.8 years
2000	32.1 years

\*Projected figures from the City of Tucson Comprehensive Planning Task Force assuming normal annexation rates.

## Economy



For the next five years, Tucson is projected to be the 13th most rapidly growing metropolitan area in the United States for employment.

### Major Employers - Southern Arizona, 2002\*

(Based on number of full-time equivalent positions)

University of Arizona	11,606
U.S. Army Fort Huachuca	10,969
Raytheon Systems Company	10,400
State of Arizona	9,932
Davis-Monthan Air Force Base	9,200
Tucson Unified School District	8,278
Pima County	7,175
City of Tucson	5,933**
Wal-Mart	3,800
Phelps Dodge Mining Company	3,783
Carondelet Health Network	3,328
Tohono O'Odham Nation	2,700
University Medical Center	2,415
Tucson Medical Center (TMC) HealthCare	2,395
Pima Community College	2,238
Amphitheater Public Schools	2,236
Bombardier Aerospace	2,154

### Total Employment

(Pima County)

1990	321,900
1999	429,332
2000	447,106
2001	450,137
2002	433,550
2003	445,570

### Unemployment Rates

(Pima County)

1990	4.6%
1999	2.9%
2000	2.8%
2001	3.2%
2002	4.6%
2003	4.2%

### Annual Rate of Earnings

(Per worker in current dollars)

1990	\$20,015
1998	\$26,311
1999	\$27,453
2000	\$29,439
2001	\$30,570
2002	\$31,628

### Building Permits Issued

	Residential	Commercial	Industrial
1998	2,359	238	34
1999	2,740	302	7
2000	2,689	236	17
2001	2,712	140	8
2002	2,719	191	17

\*Source: "Star/Two/Hundred," The Arizona Daily Star, March 10, 2002.

\*\*The City of Tucson's Fiscal Year 2003 Adopted Budget includes 5,829.46 full-time equivalent positions.

## City Services



The City of Tucson is committed to providing appropriate and equitable levels of service to all of its citizens. Some examples are listed below.

### Neighborhood Resources

Parks (District, Neighborhood, School, Regional, and Open Space)	127
Recreation Centers	7
Neighborhood/Senior Centers	8
Regional Centers	2
After-School Program Sites	34
Senior Citizen Program Sites	13
Municipal Swimming Pools	26
Municipal Golf Courses	5
Tennis Court Sites	18
Playfields	195
Libraries	23
Bookmobiles	2

### Solid Waste Management

Tons of Waste Collected	366,000
Tons of Material Recycled	35,000
Number of Christmas Trees Mulched or Composted	30,600

### Transportation

Number of Street Miles Maintained	1,700
Miles of Bikeways	310
Miles of Drainageway	1,141
Number of Street Lights	15,761
Annual Miles of Fixed-Route Bus Service	7,972,000
Annual Miles of Paratransit Service	2,075,240
Traffic Signals	442

### Tucson Water

Miles of Water Lines	4,300
Number of Water Connections	205,377
Million of gallons of potable water storage capacity	287
Billion of gallons of potable water delivered annually	36

### Public Safety

Number of Authorized Commissioned Law Enforcement Personnel	995.5
Average Police Emergency Response Time (in minutes)	4.05
Average Police Response Time for All Emergency, Critical, Urgent, and General Response Calls (in minutes)	27.75
Number of Commissioned Fire Personnel	526
Annual Number of Structural Fire Runs	283
Annual Number of Other Fire Runs	34,987
Number of Paramedics	108
Annual Number of Paramedic Runs	31,848

## BENCHMARKING PROJECT

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In recent years, the City of Tucson has used performance goals and project management to increase its accountability and assess effectiveness. Another way to measure municipal performance is to benchmark with other cities. This is commonly done in the private sector, particularly in health care and education, to compare effectiveness of organizations in the same business. For example, universities are often ranked on the quality of their freshman classes and how well students do over their four years. As undergraduates, measures such as Scholastic Aptitude Test/American College Test scores, faculty to student ratios, educational expenses per student, graduation rates, and alumni giving rates are widely used. Municipalities are just beginning to use the benchmarking technique. Included in this section are benchmarks comparing the City of Tucson's metropolitan area with ten other metropolitan areas (see map on page D-10).

These metropolitan areas, some larger and some smaller than Tucson, were chosen because of their western geography and governance, their ethnic distribution and economic variety, and their cultural and historical traditions—a combination similar enough to allow the comparison of some urban elements, yet sufficiently disparate to allow the contrast of others. The other metropolitan areas used are Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix-Mesa, Salt Lake City, San Antonio, and San Diego. The Tucson metro area was compared with these other areas to determine how it compares economically and demographically. The benchmarks included in this section, comprised of ten economic benchmarks and six demographic benchmarks, are listed below and displayed in a series of graphs on the pages that follow.

### **Economic Benchmarks**

- Metro Area 2000 Average Annual Wage, page D-11
- Metro Area 1999 Wage and Salary Employment, Number of Jobs Per 1,000 Population, page D-11
- Metro Area 2000 Population Below Poverty Level, page D-12
- Metro Area 2001 Cost of Living Index (adjusted for Tucson's cost of living), page D-12
- Metro Area 2001 Cost of Groceries Index (adjusted for Tucson's cost of groceries), page D-13
- Metro Area 2001 Cost of Housing Index (adjusted for Tucson's cost of housing), page D-13
- Metro Area 2001 Cost of Transportation Index (adjusted for Tucson's cost of transportation), page D-14
- Metro Area 2001 Cost of Health Care Index (adjusted for Tucson's cost of health care), page D-14
- Percentage of Households That Use a Personal Computer, page D-15
- Metro Area 1990 Mean Travel Time to Work, In Minutes, page D-15

### **Demographic Benchmarks**

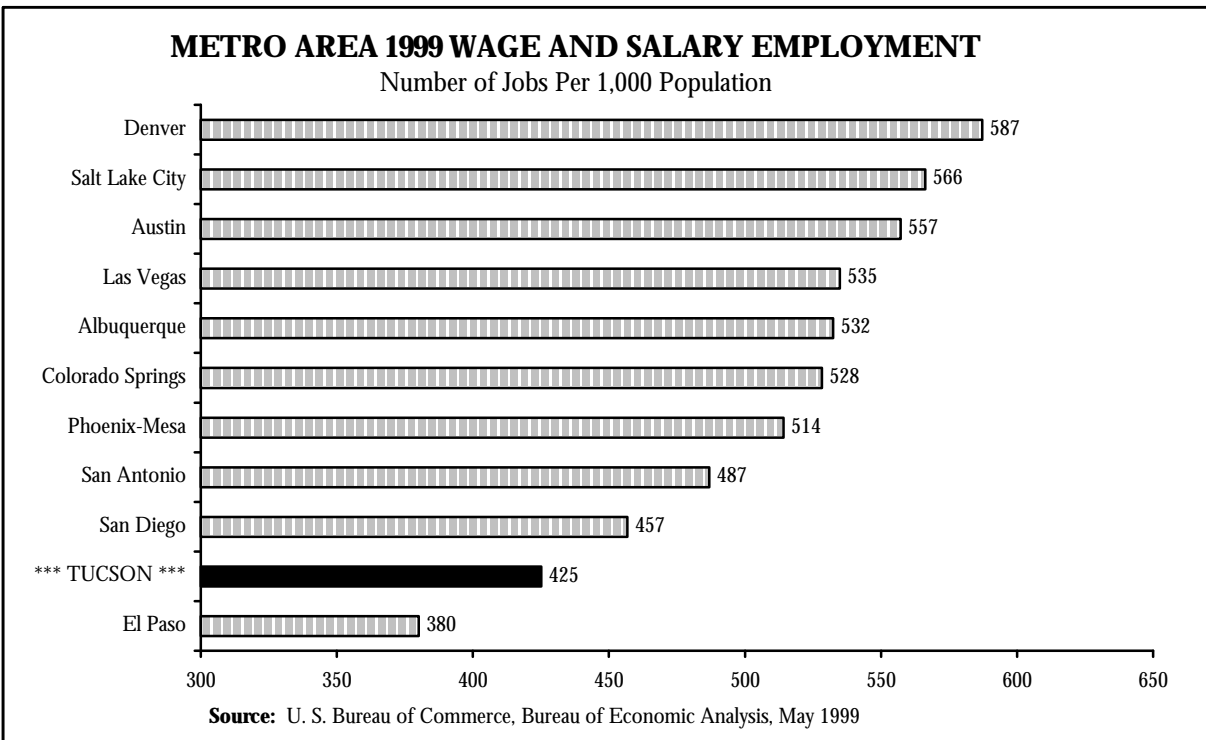
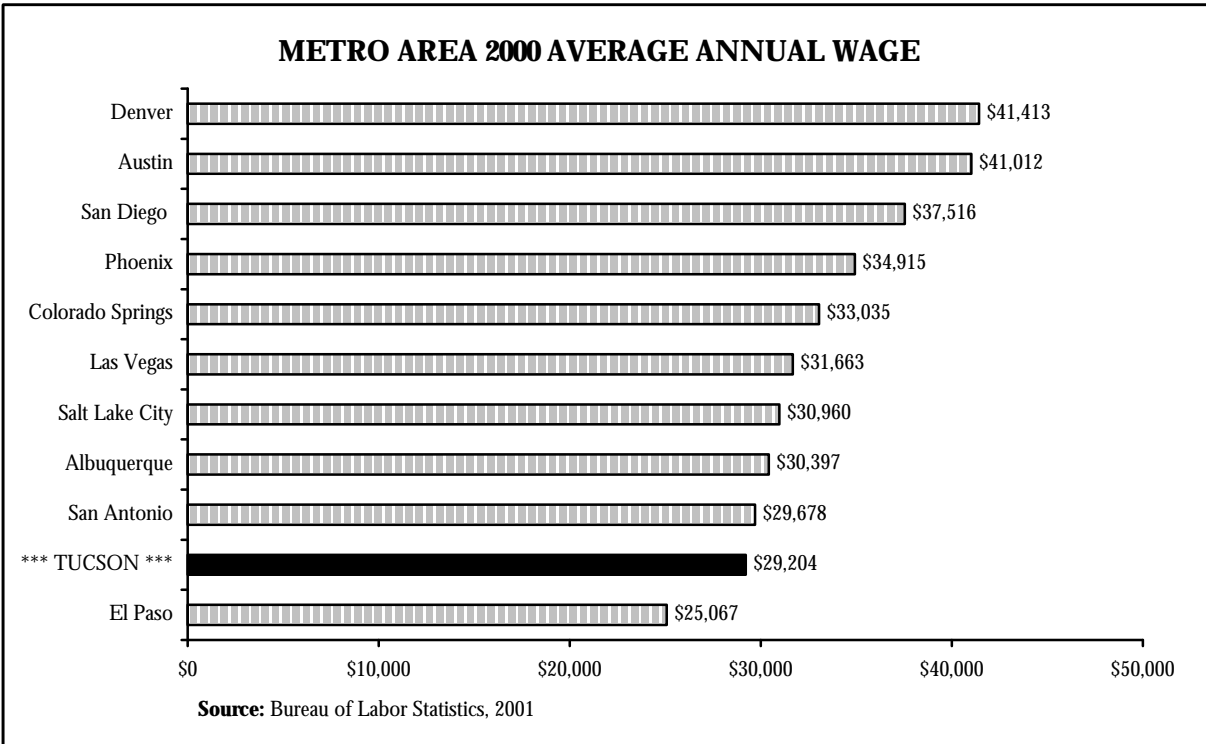
- Percent of 2000 Metro Population Less Than 18 Years Old, page D-16
- Percent of 2000 Metro Population Greater Than 64 Years Old, page D-16
- Number of Persons Per Household, page D-17
- 2000 Infant Death Rate Per 1,000 Population, page D-17
- High School Diploma, Percent of Population 25 Years Old and Older, page D-18
- Bachelor Degree, Percent of Population 25 Years Old and Older, page D-18

## Benchmark Metropolitan Cities and 2000 Populations



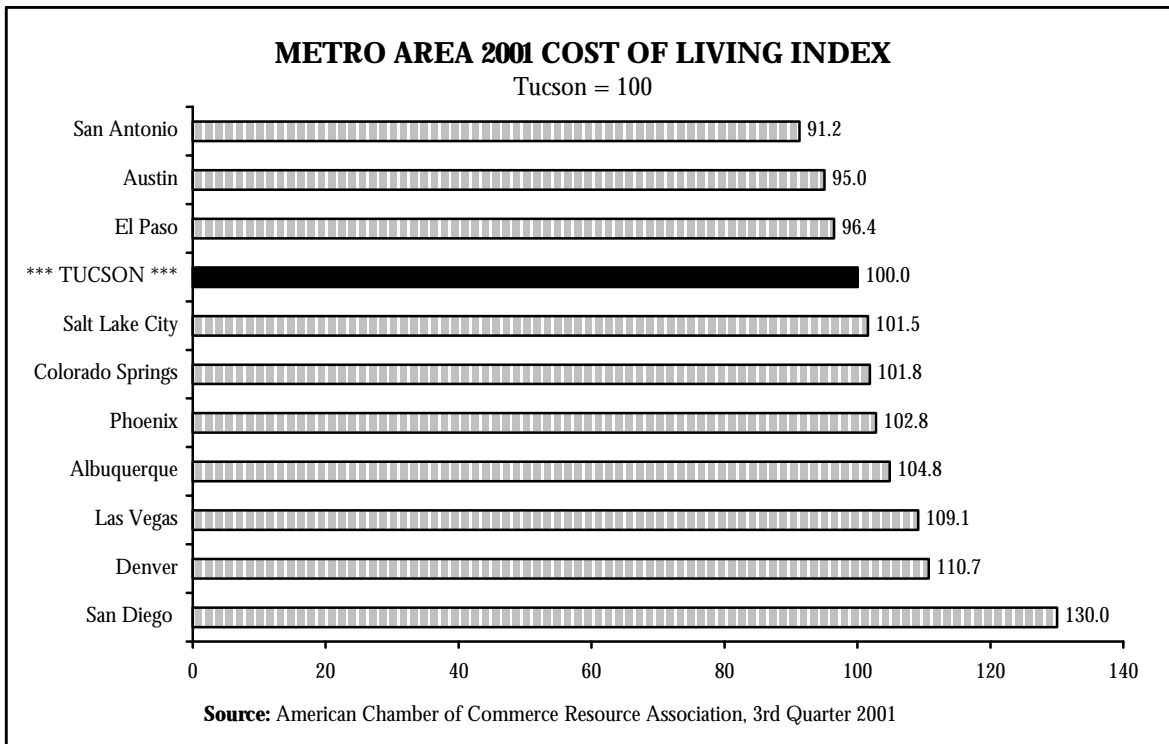
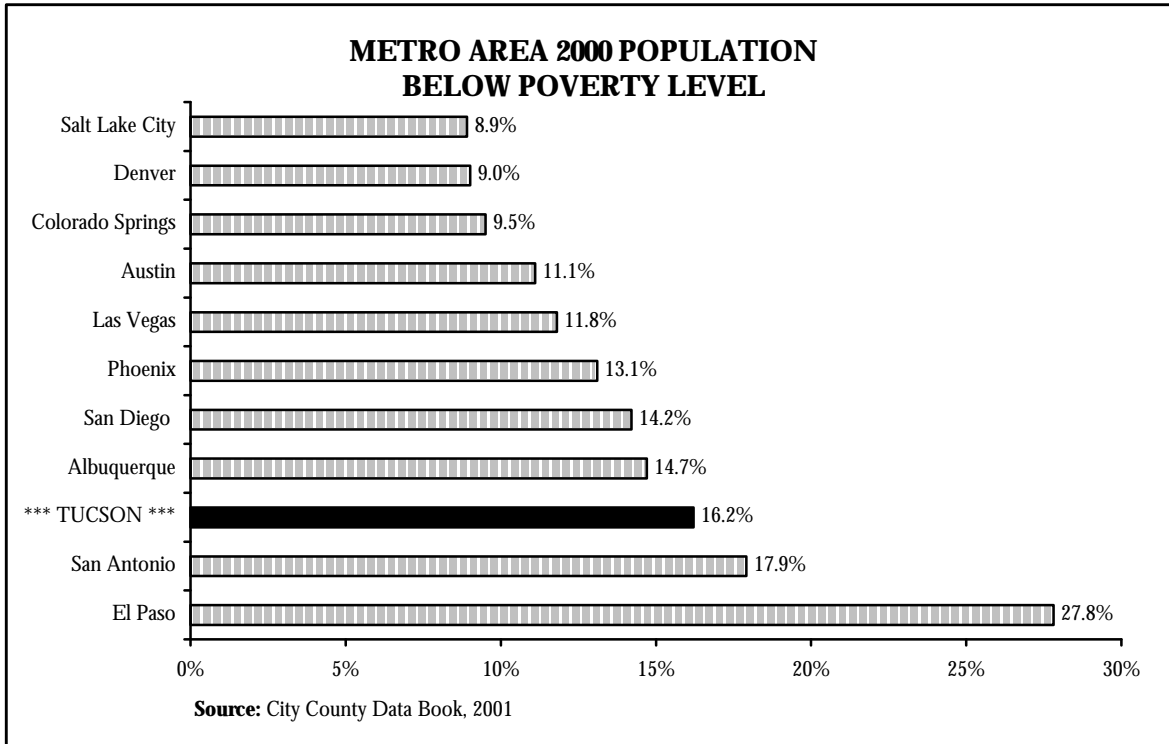
# ECONOMIC BENCHMARKS

## Selected Regional Cities Benchmarked With Tucson



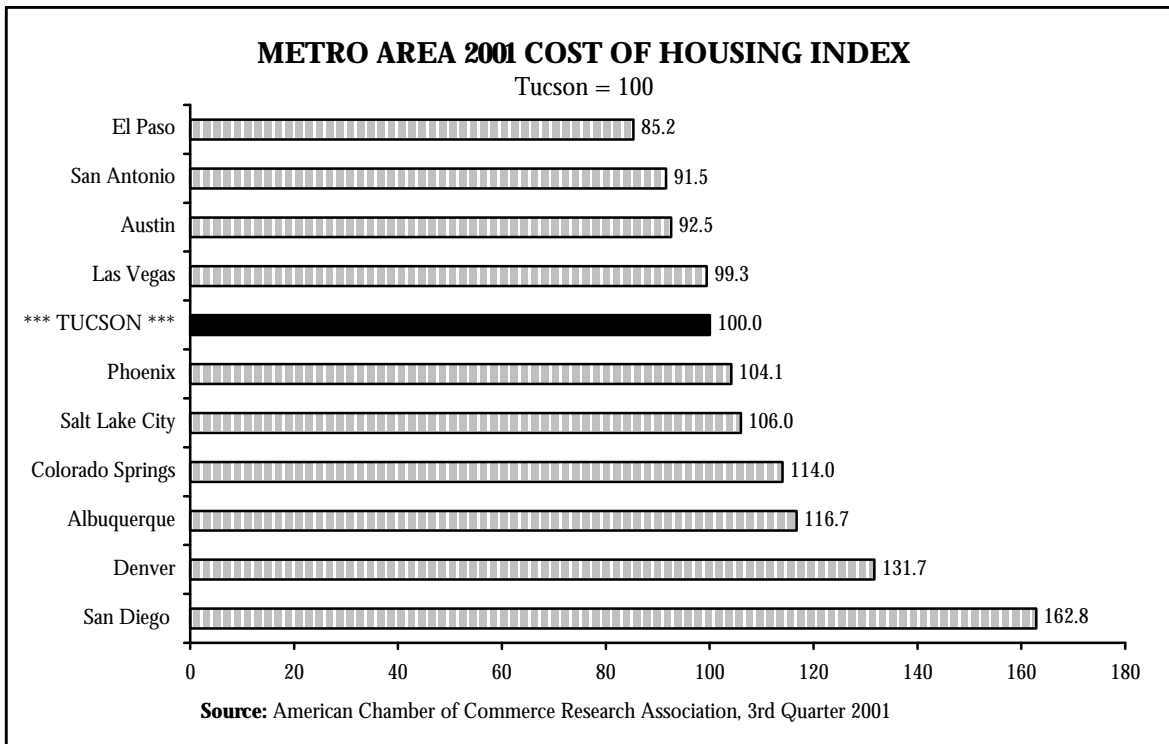
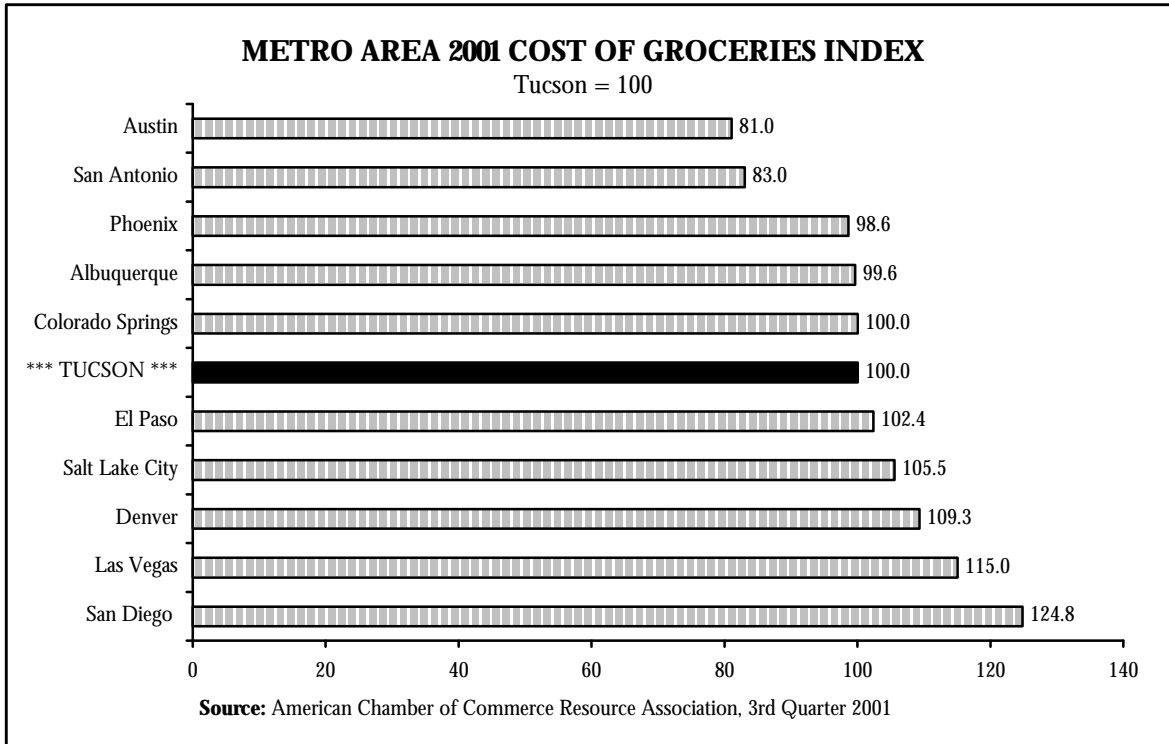
# ECONOMIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



# ECONOMIC BENCHMARKS

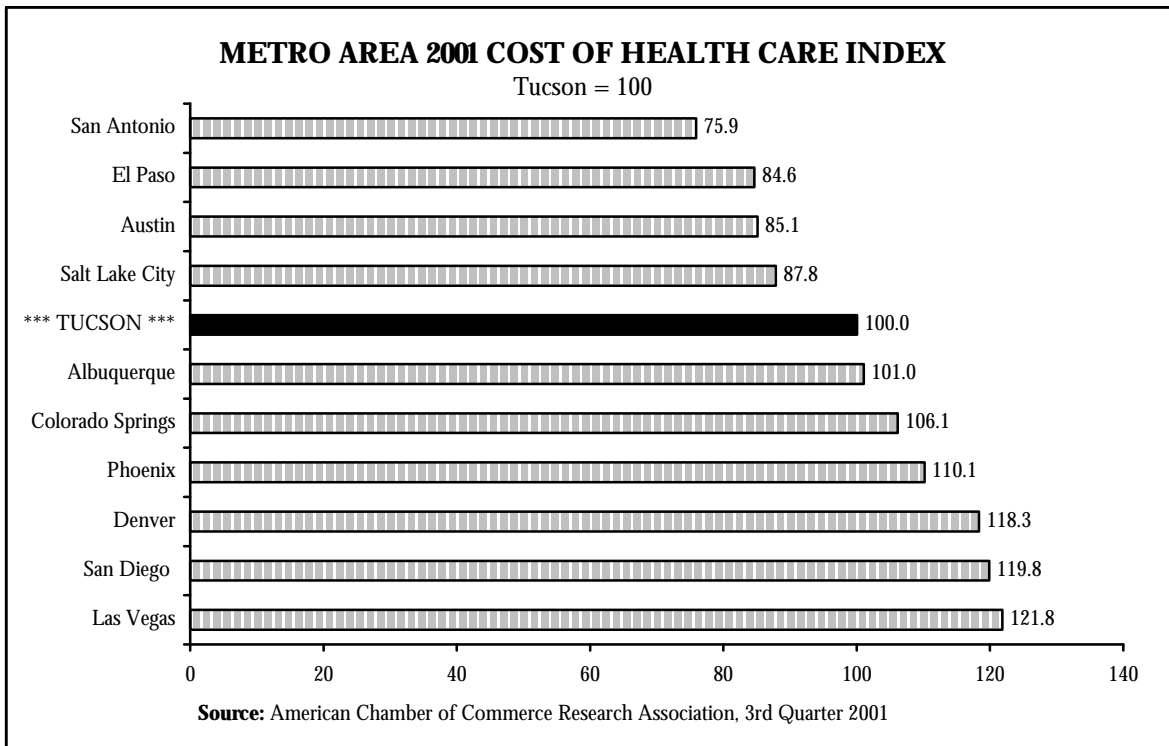
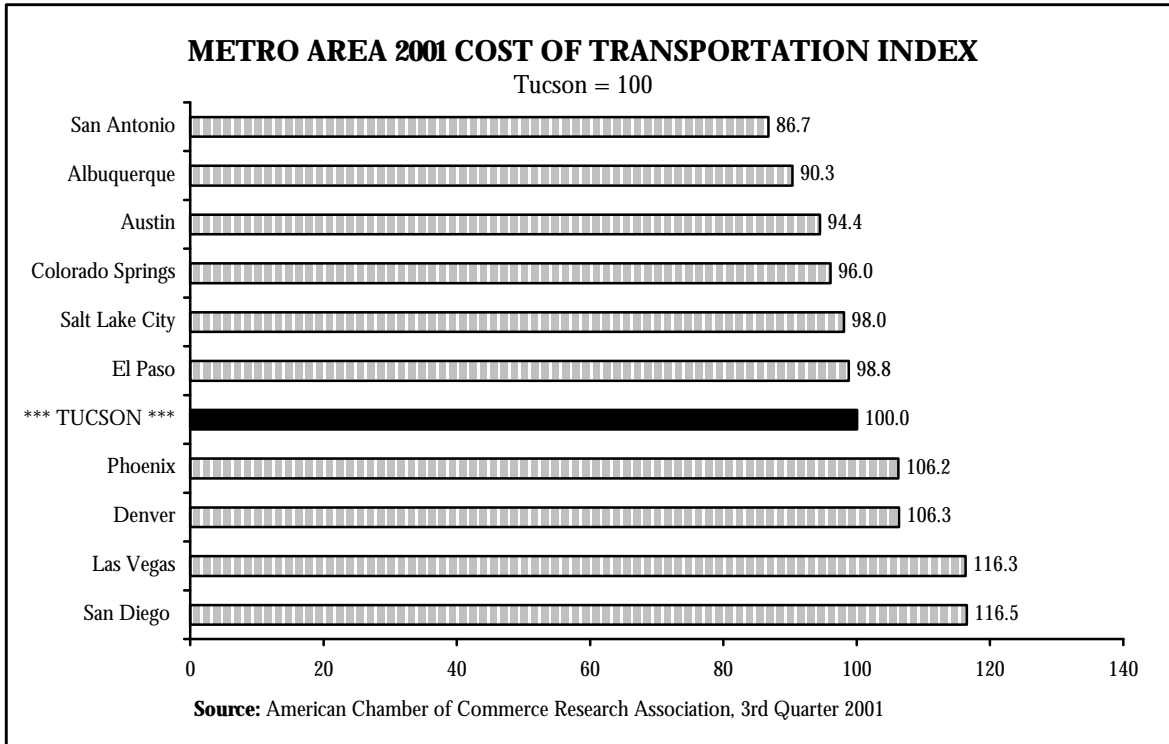
## Selected Regional Cities Benchmarked With Tucson





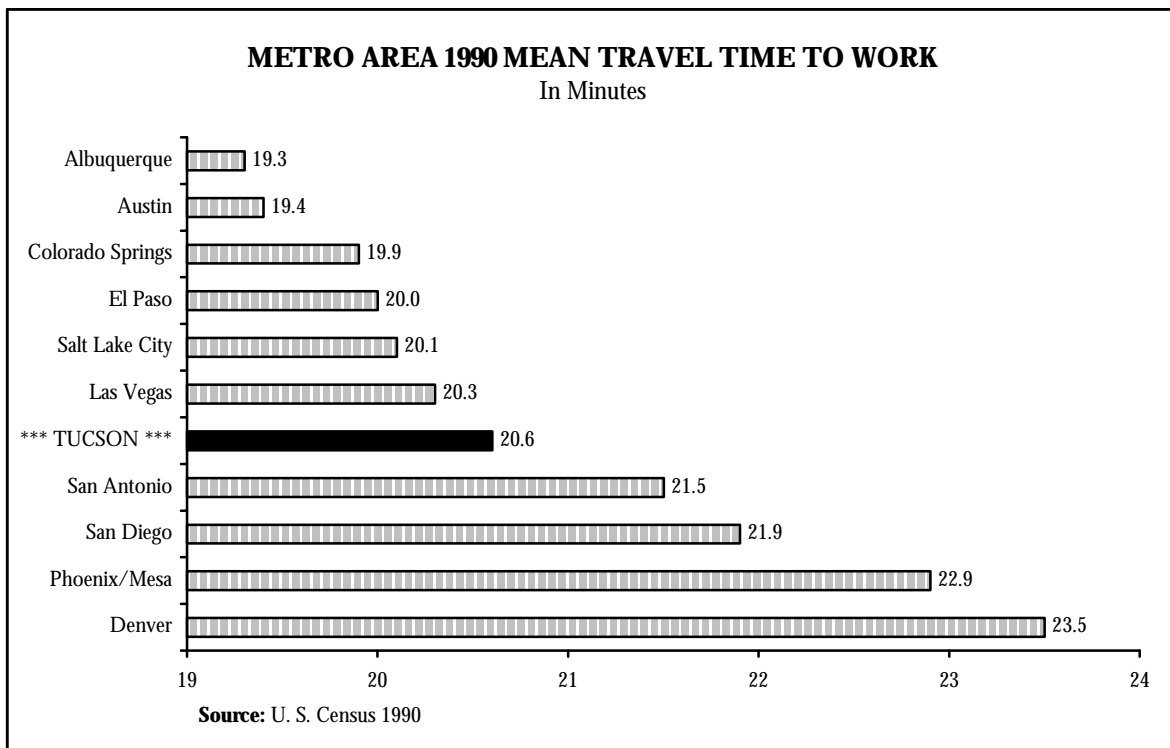
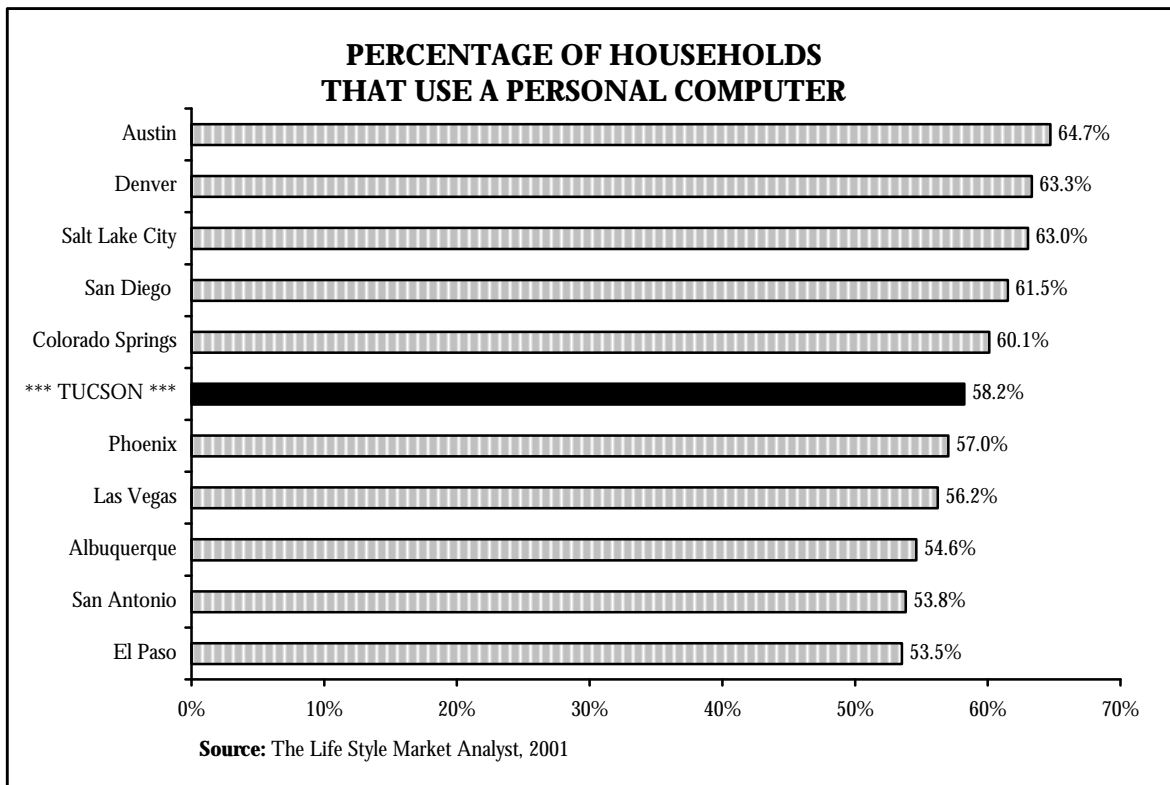
# ECONOMIC BENCHMARKS

## Selected Regional Cities Benchmarked With Tucson



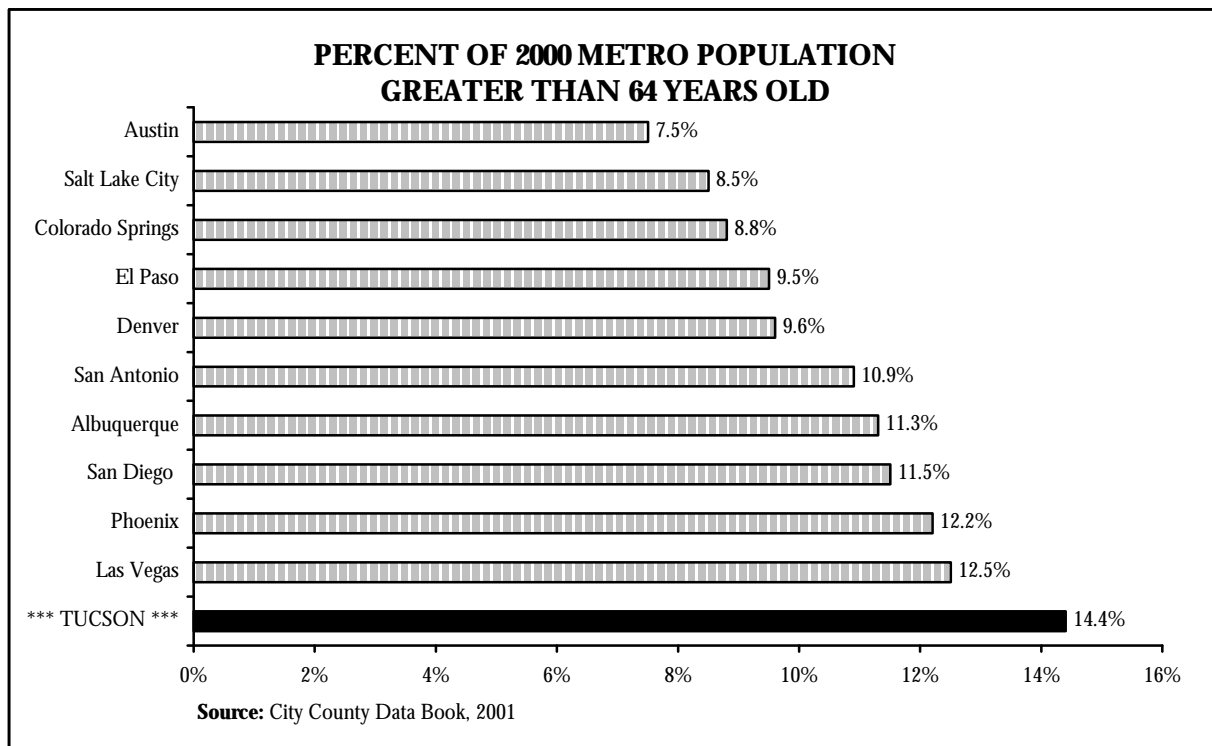
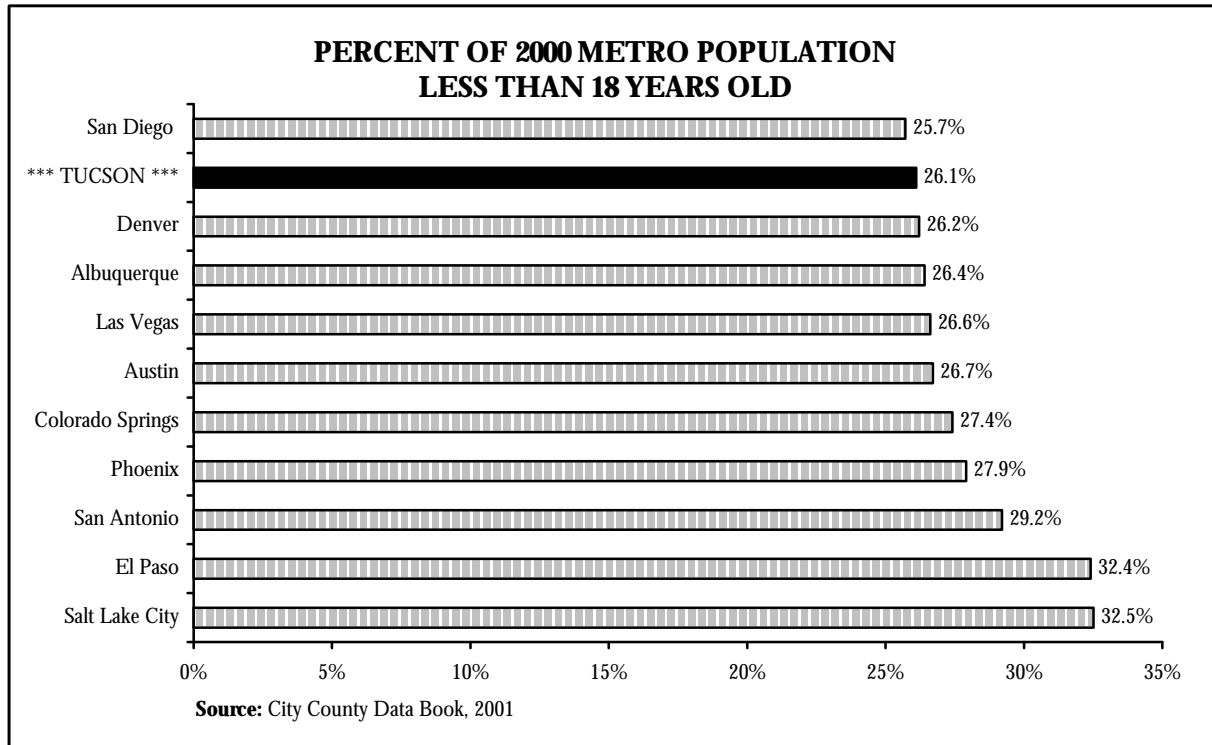
# ECONOMIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



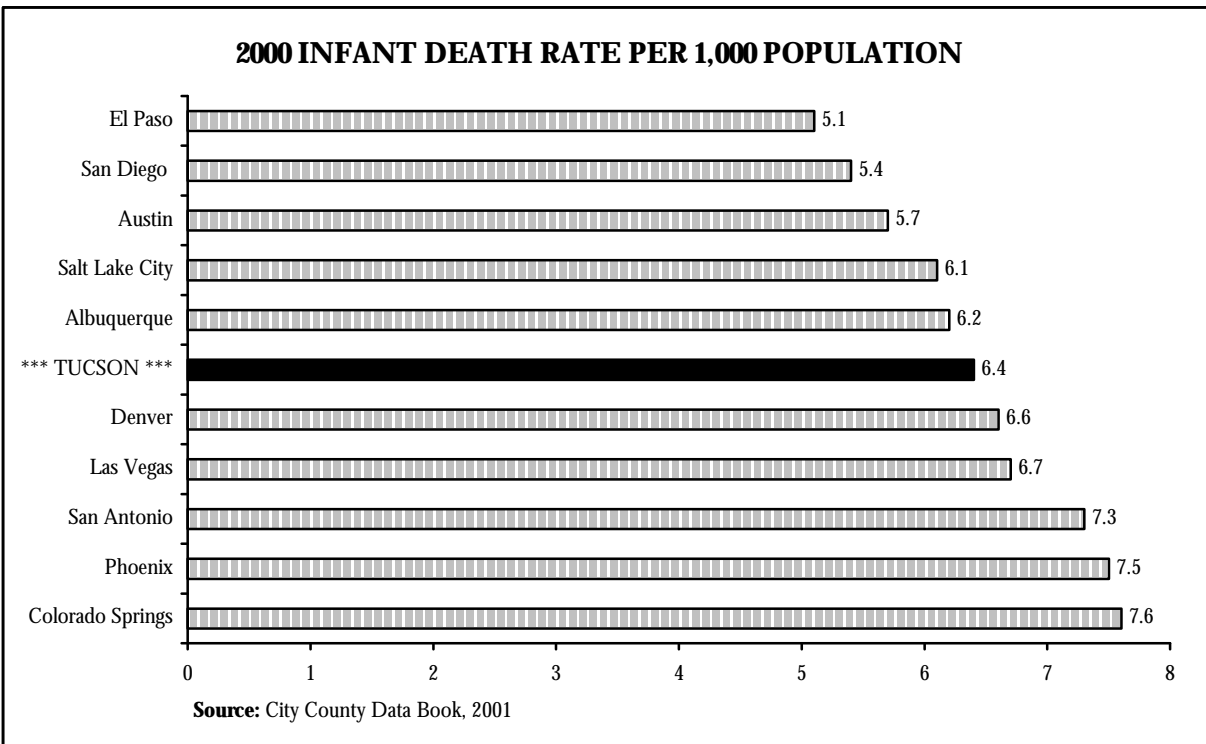
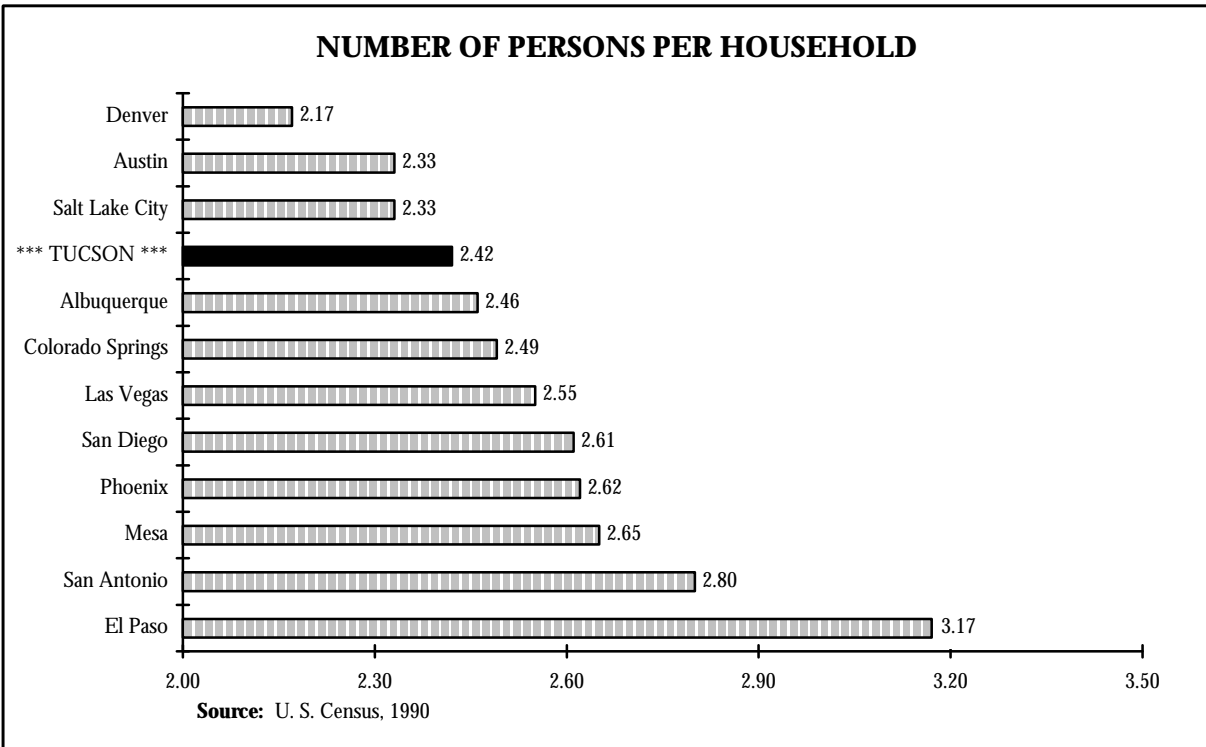
# DEMOGRAPHIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



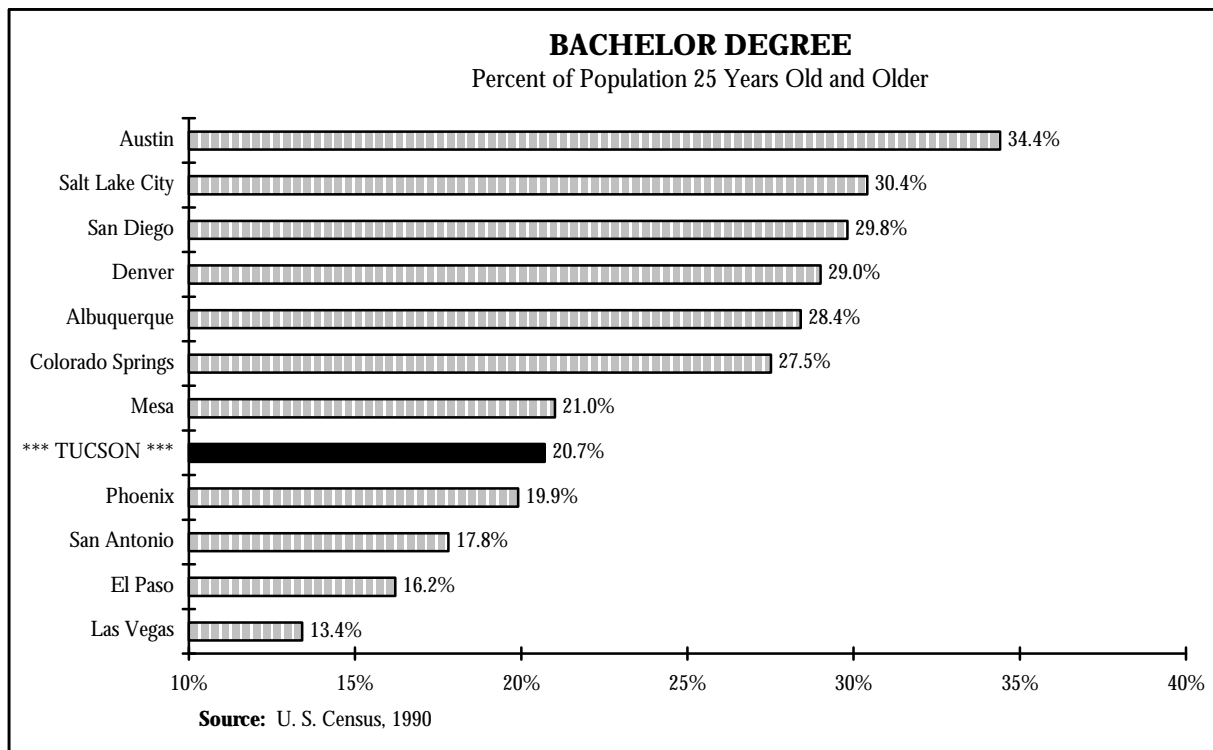
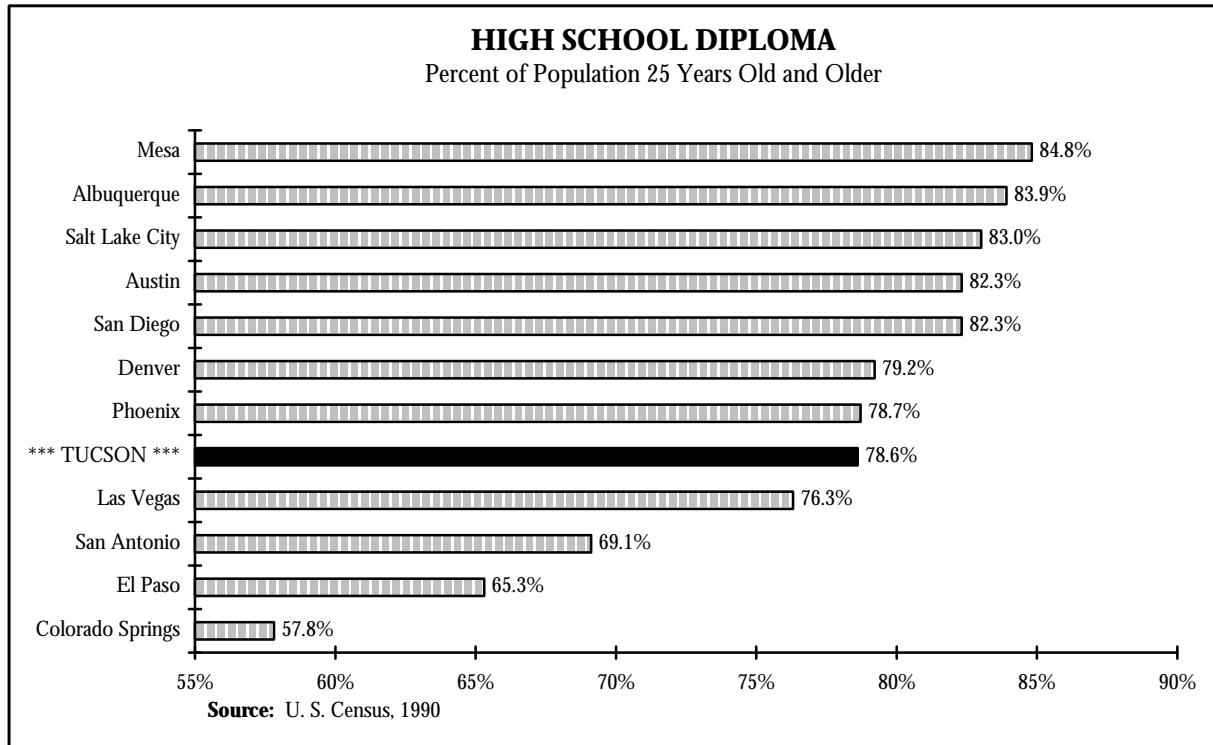
## DEMOGRAPHIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



# DEMOGRAPHIC BENCHMARKS

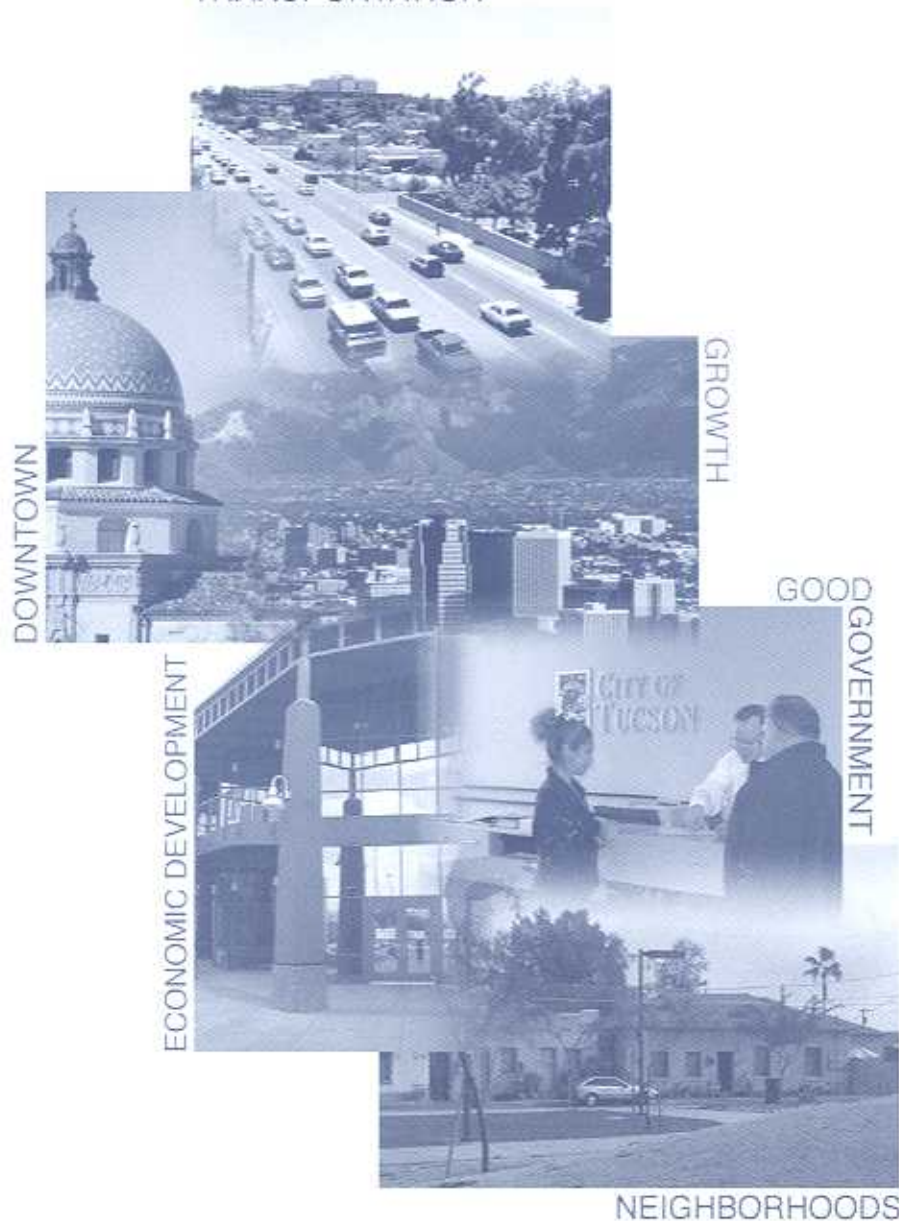
Selected Regional Cities Benchmarked With Tucson

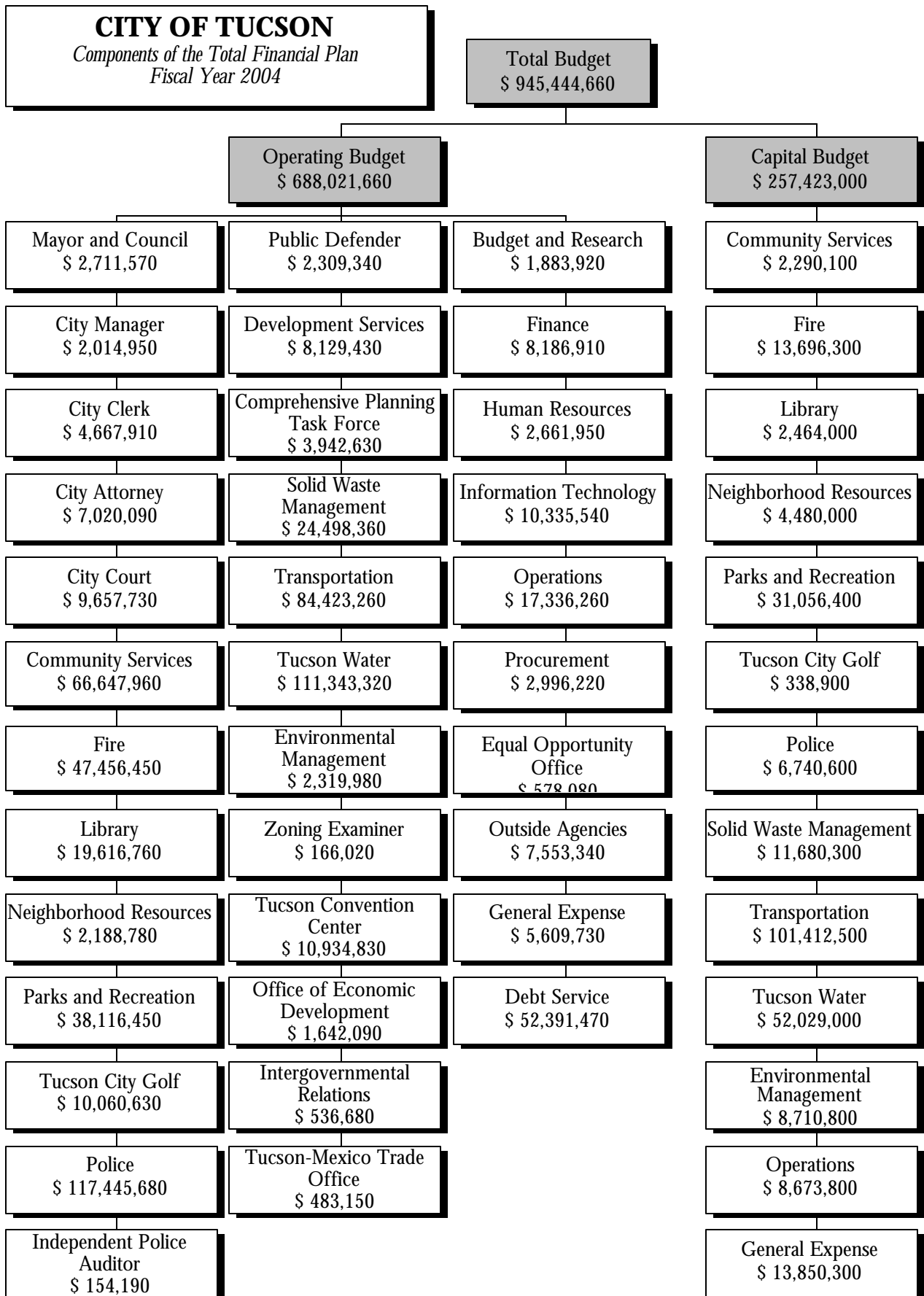


# Section E

## *Summary Information*

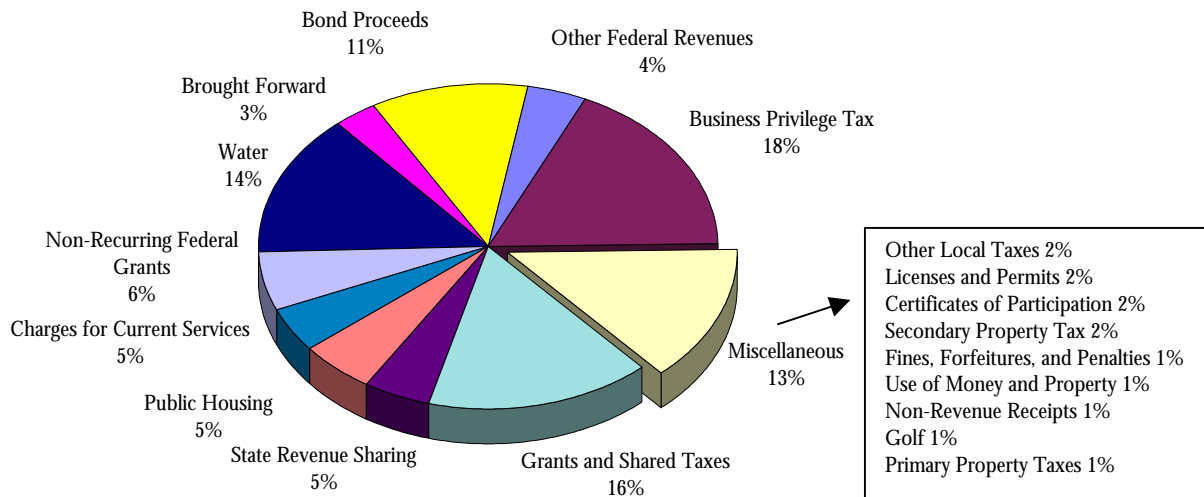
### TRANSPORTATION





# REVENUES

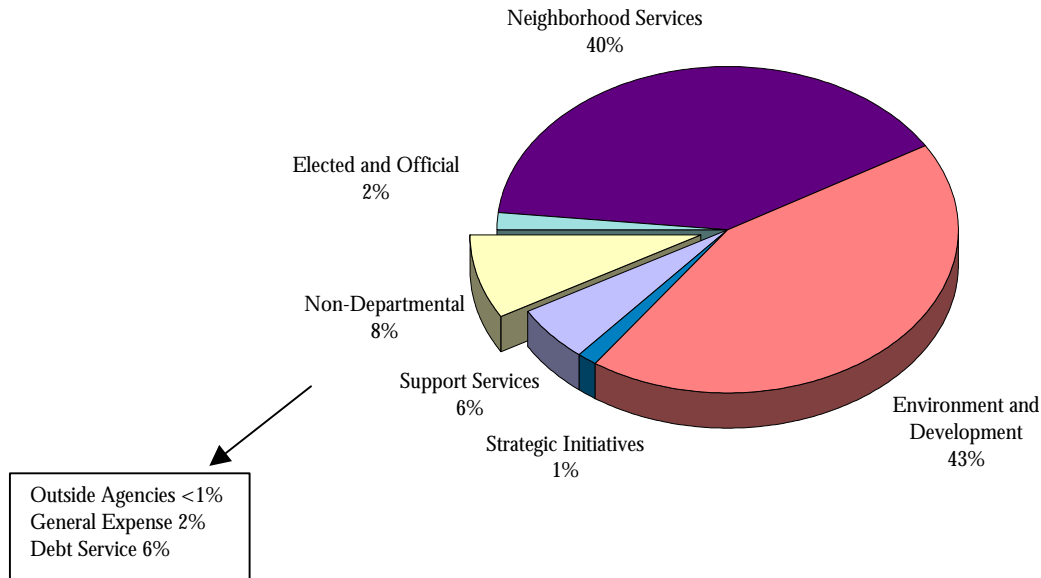
## RECOMMENDED FISCAL YEAR 2004



Funds Available	Annual Budget Total	Percent of Total	Estimated Revenues	
			Operating Budget	Capital Budget
Primary Property Tax	\$ 8,477,300	1%	\$ 8,477,300	\$ -0-
Secondary Property Tax	23,055,320	2%	23,055,320	-0-
Business Privilege Tax	168,200,000	18%	164,655,000	3,545,000
Other Local Taxes	19,700,500	2%	19,700,500	-0-
Licenses and Permits	16,161,260	2%	16,161,260	-0-
Fines, Forfeitures, and Penalties	9,758,200	1%	9,758,200	-0-
Use of Money and Property	4,945,200	1%	4,945,200	-0-
Grants and Shared Taxes	148,562,090	16%	129,377,990	19,184,100
State Revenue Sharing	43,388,700	5%	43,388,700	-0-
Charges for Current Services	51,992,960	5%	51,992,960	-0-
Non-Revenue Receipts	9,731,980	1%	9,731,980	-0-
Public Housing	50,309,940	5%	48,043,040	2,266,900
Other Federal Revenues	37,659,830	4%	32,584,230	5,075,600
<b>Total Recurring Revenues (Without Utilities)</b>	<b>\$ 591,943,280</b>	<b>63%</b>	<b>\$ 561,871,680</b>	<b>\$ 30,071,600</b>
Golf	10,399,530	1%	10,060,630	338,900
Water	132,166,320	14%	111,343,320	20,823,000
<b>Total Recurring Revenues</b>	<b>\$ 734,509,130</b>	<b>78%</b>	<b>\$ 683,275,630</b>	<b>\$ 51,233,500</b>
Non-Recurring Federal Grants	54,549,400	6%	-0-	54,549,400
Bond Proceeds	105,102,300	11%	-0-	105,102,300
Certificates of Participation	23,306,700	2%	-0-	23,306,700
Brought Forward	27,977,130	3%	4,746,030	23,231,100
<b>Total Funds Available</b>	<b>\$ 945,444,660</b>	<b>100%</b>	<b>\$ 688,021,660</b>	<b>\$ 257,423,000</b>



# APPROPRIATIONS RECOMMENDED FISCAL YEAR 2004



Purpose	Annual Budget Total	Percent of Total	Budgeted Expenditures	
			Operating Budget	Capital Budget
Elected and Official	\$ 16,414,520	2%	\$ 16,414,520	\$ -0-
Neighborhood Services	374,720,270	40%	313,653,970	61,066,300
Environment and Development	408,655,600	43%	234,823,000	173,832,600
Strategic Initiatives	13,596,750	1%	13,596,750	-0-
Support Services	52,652,680	6%	43,978,880	8,673,800
Non-Departmental				
Outside Agencies	7,553,340	<1%	7,553,340	-0-
General Expense	19,460,030	2%	5,609,730	13,850,300
Debt Service	52,391,470	6%	52,391,470	-0-
<b>Total All Organizations</b>	<b>\$ 945,444,660</b>	<b>100%</b>	<b>\$ 688,021,660</b>	<b>\$ 257,423,000</b>

# REVENUES AND APPROPRIATIONS SUMMARY

## FISCAL YEAR 2004 RECOMMENDED

### GENERAL PURPOSE FUNDS

### RESTRICTED FUNDS

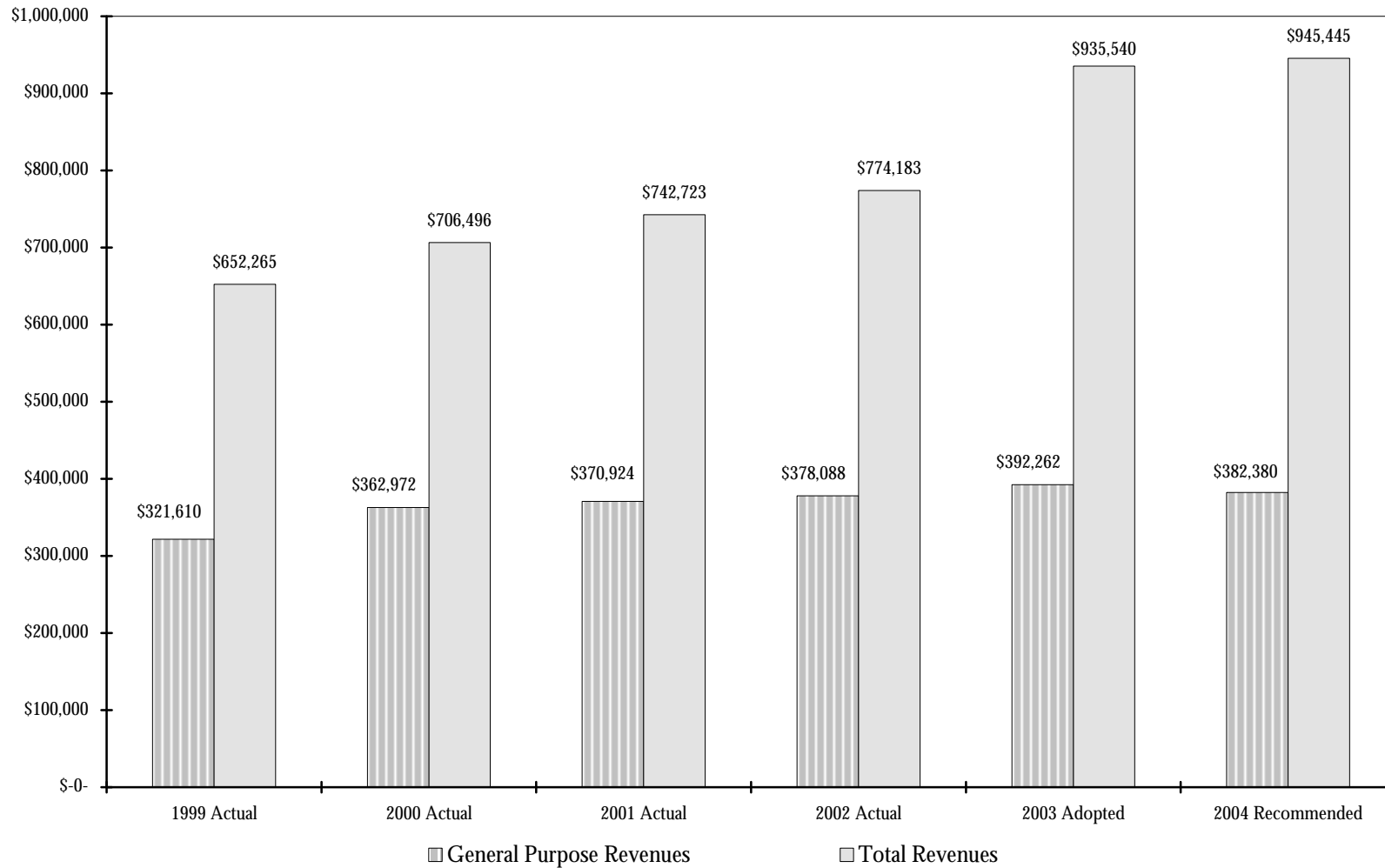
CLASSIFICATION	TOTAL BUDGET	TOTAL RECURRING	OPERATING BUDGET	CAPITAL BUDGET	TOTAL RESTRICTED	OPERATING BUDGET	CAPITAL BUDGET
<b>FUNDS AVAILABLE</b>							
Recurring Revenues							
Primary Property Tax	\$ 8,477,300	\$ 8,477,300	\$ 8,477,300	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Secondary Property Tax	23,055,320	-0-	-0-	-0-	23,055,320	23,055,320	-0-
Business Privilege Tax	168,200,000	168,200,000	164,655,000	3,545,000	-0-	-0-	-0-
Other Local Taxes	19,700,500	19,700,500	19,700,500	-0-	-0-	-0-	-0-
Licenses and Permits	16,161,260	15,118,760	15,118,760	-0-	1,042,500	1,042,500	-0-
Fines, Forfeitures, and Penalties	9,758,200	9,095,200	9,095,200	-0-	663,000	663,000	-0-
Use of Money and Property	4,945,200	1,368,060	1,368,060	-0-	3,577,140	3,577,140	-0-
Grants and Shared Taxes	148,562,090	61,793,000	61,793,000	-0-	86,769,090	67,584,990	19,184,100
State Revenue Sharing	43,388,700	43,388,700	43,388,700	-0-	-0-	-0-	-0-
Charges for Current Services	51,992,960	50,238,680	50,238,680	-0-	1,754,280	1,754,280	-0-
Non-Revenue Receipts	9,731,980	1,161,980	1,161,980	-0-	8,570,000	8,570,000	-0-
Public Housing	50,309,940	-0-	-0-	-0-	50,309,940	48,043,040	2,266,900
Other Federal Revenues	37,659,830	-0-	-0-	-0-	37,659,830	32,584,230	5,075,600
Total Recurring Revenues (Without Utilities)	\$ 591,943,280	\$ 378,542,180	\$ 374,997,180	\$ 3,545,000	\$ 213,401,100	\$ 186,874,500	\$ 26,526,600
Golf	10,399,530	-0-	-0-	-0-	10,399,530	10,060,630	338,900
Water	132,166,320	-0-	-0-	-0-	132,166,320	111,343,320	20,823,000
Total Recurring Revenues	\$ 734,509,130	\$ 378,542,180	\$ 374,997,180	\$ 3,545,000	\$ 355,966,950	\$ 308,278,450	\$ 47,688,500
Non-Recurring Federal Grants	54,549,400	-0-	-0-	-0-	54,549,400	-0-	54,549,400
Bond Proceeds	105,102,300	-0-	-0-	-0-	105,102,300	-0-	105,102,300
Certificates of Participation	23,306,700	-0-	-0-	-0-	23,306,700	-0-	23,306,700
Brought Forward	27,977,130	3,837,490	2,271,290	1,566,200	24,139,640	2,474,740	21,664,900
<b>TOTAL FUNDS AVAILABLE</b>	\$ 945,444,660	\$ 382,379,670	\$ 377,268,470	\$ 5,111,200	\$ 563,064,990	\$ 310,753,190	\$ 252,311,800
<b>APPROPRIATIONS</b>							
Elected and Official	\$ 16,414,520	\$ 15,659,800	\$ 15,659,800	\$ -0-	\$ 754,720	\$ 754,720	\$ -0-
Neighborhood Services	374,720,270	215,807,750	213,707,750	2,100,000	158,912,520	99,946,220	58,966,300
Environment and Development	408,655,600	82,795,210	80,545,210	2,250,000	325,860,390	154,277,790	171,582,600
Strategic Initiatives	13,596,750	12,029,700	12,029,700	-0-	1,567,050	1,567,050	-0-
Support Services	52,652,680	41,405,580	40,644,380	761,200	11,247,100	3,334,500	7,912,600
Non-Departmental	79,404,840	14,681,630	14,681,630	-0-	64,723,210	50,872,910	13,850,300
<b>TOTAL ALL ORGANIZATIONS</b>	\$ 945,444,660	\$ 382,379,670	\$ 377,268,470	\$ 5,111,200	\$ 563,064,990	\$ 310,753,190	\$ 252,311,800

## REVENUES AND EXPENDITURES COMPARISONS

CLASSIFICATION	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Approved FY 2004	Recommended FY 2004
<b>Funds Available</b>					
Primary Property Tax	\$ 3,494,674	\$ 4,612,960	\$ 4,601,930	\$ 3,864,260	\$ 8,477,300
Secondary Property Tax	20,817,632	20,756,360	20,674,970	22,907,710	23,055,320
Business Privilege Tax	158,139,465	166,328,100	161,776,400	174,644,500	168,200,000
Other Local Taxes	16,879,672	17,839,710	16,992,400	18,526,990	19,700,500
Licenses and Permits	16,099,202	15,963,740	15,963,740	16,461,710	16,161,260
Fines, Forfeitures, and Penalties	7,950,845	7,963,120	8,363,120	8,347,600	9,758,200
Use of Money and Property	4,697,171	7,618,830	4,974,140	7,764,710	4,945,200
Grants and Shared Taxes	133,727,216	141,988,760	131,745,300	149,668,500	148,562,090
State Revenue Sharing	50,933,526	52,388,880	51,808,070	54,601,440	43,388,700
Charges for Current Services	41,060,374	46,956,860	43,599,510	49,638,520	51,992,960
Non-Revenue Receipts	4,131,256	10,581,690	10,581,690	10,992,480	9,731,980
Public Housing	40,320,542	51,303,690	55,890,510	51,488,040	50,309,940
Other Federal Revenues	20,325,159	27,479,700	28,065,340	25,939,630	37,659,830
Golf	9,851,778	10,712,220	9,820,800	10,710,220	10,399,530
Water	111,111,638	117,279,000	113,387,860	125,666,000	132,166,320
Non-Recurring*	83,689,146	185,368,600	200,345,670	131,706,000	182,958,400
Brought Forward	50,953,251	50,397,650	52,938,760	6,953,830	27,977,130
Total Funds Available	\$ 774,182,547	\$ 935,539,870	\$ 931,530,210	\$ 869,882,140	\$ 945,444,660
<b>Expenditures</b>					
Elected and Official	\$ 16,381,278	\$ 14,908,900	\$ 13,910,880	\$ 17,522,110	\$ 16,414,520
Neighborhood Services	286,708,986	360,752,590	344,961,200	361,138,680	374,720,270
Environment and Development	303,416,441	407,623,890	416,910,320	355,269,140	408,655,600
Strategic Initiatives	8,567,135	14,890,120	13,981,540	14,784,880	13,596,750
Support Services	44,125,652	55,325,650	48,824,650	56,565,910	52,652,680
Non-Departmental	59,739,300	82,038,720	53,060,830	74,660,390	79,404,840
Total All Organizations	\$ 718,938,792	\$ 935,539,870	\$ 891,649,420	\$ 879,941,110	\$ 945,444,660

\*Note: This revenue category consists of non-recurring federal funds, bond proceeds, and certificates of participation.

# COMPARISON OF GENERAL PURPOSE REVENUES AND TOTAL REVENUES (\$000s)



## SUMMARY OF EXPENDITURES BY DEPARTMENT

	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Approved FY 2004	Recommended FY 2004
<b>Elected and Official</b>					
Mayor and Council	\$ 2,418,358	\$ 2,731,960	\$ 2,731,960	\$ 2,862,120	\$ 2,711,570
City Manager	3,862,775	2,194,810	2,122,060	2,279,200	2,014,950
City Clerk	3,585,540	2,681,980	2,400,750	4,767,010	4,667,910
City Attorney	6,514,605	7,300,150	6,656,110	7,613,780	7,020,090
Sub-Total	16,381,278	14,908,900	13,910,880	17,522,110	16,414,520
<b>Neighborhood Services</b>					
City Court	9,669,255	9,971,740	9,314,360	10,275,780	9,657,730
Community Services	54,279,074	70,954,330	76,273,920	70,354,020	68,938,060
Fire	44,027,475	55,674,410	55,382,830	56,441,740	61,152,750
Library	19,592,017	22,004,030	21,533,050	22,133,100	22,080,760
Neighborhood Resources	3,704,755	7,974,770	8,018,600	8,242,710	6,668,780
Parks and Recreation	40,423,054	65,806,940	47,602,800	55,503,150	69,172,850
Tucson City Golf	9,851,778	10,712,220	9,820,800	10,710,220	10,399,530
Police	102,983,213	115,244,090	114,696,550	124,962,200	124,186,280
Independent Police Auditor	143,053	147,440	146,060	154,440	154,190
Office of the Public Defender	2,035,312	2,262,620	2,172,230	2,361,320	2,309,340
Sub-Total	286,708,986	360,752,590	344,961,200	361,138,680	374,720,270
<b>Environment and Development</b>					
Development Services	6,338,472	7,950,940	7,557,510	8,277,560	8,129,430
Comprehensive Planning Task Force	3,162,743	2,993,180	3,596,150	2,970,680	3,942,630
Solid Waste Management	29,674,746	32,586,020	31,953,290	30,206,630	36,178,660
Transportation	126,474,991	191,331,190	202,826,580	149,084,420	185,835,760
Tucson Water	132,500,269	161,544,000	157,959,860	157,658,000	163,372,320
Environmental Management	4,914,111	10,700,060	12,861,810	6,562,370	11,030,780
Historic Preservation Office	202,320	360,770	-0-	344,410	-0-
Zoning Examiner	148,789	157,730	155,120	165,070	166,020
Sub-Total	303,416,441	407,623,890	416,910,320	355,269,140	408,655,600
<b>Strategic Initiatives</b>					
Tucson Convention Center	5,967,587	11,595,290	10,957,410	11,528,230	10,934,830
Office of Economic Development	1,593,101	2,179,910	1,954,680	2,115,620	1,642,090
Intergovernmental Relations	523,343	534,090	507,800	541,910	536,680
Tucson-Mexico Trade Office	483,104	580,830	561,650	599,120	483,150
Sub-Total	8,567,135	14,890,120	13,981,540	14,784,880	13,596,750

**Summary of Expenditures by Department (Continued)**

	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
<b>Support Services</b>					
Budget and Research	\$ 2,262,545	\$ 2,137,100	\$ 2,071,940	\$ 2,039,810	\$ 1,883,920
Finance	6,956,452	7,321,740	7,126,680	7,596,200	8,186,910
Human Resources	2,811,607	2,977,290	2,959,500	3,028,400	2,661,950
Information Technology	9,409,078	11,830,050	11,149,520	11,491,580	10,335,540
Operations	17,207,882	26,836,700	21,316,090	28,210,410	26,010,060
Procurement	3,237,690	3,520,360	3,499,090	3,486,340	2,996,220
Community Relations	1,395,539	-0-	-0-	-0-	-0-
Equal Opportunity Office	689,843	702,410	701,830	713,170	578,080
Grants Office	155,016	-0-	-0-	-0-	-0-
Sub-Total	44,125,652	55,325,650	48,824,650	56,565,910	52,652,680
<b>Non-Departmental</b>					
Outside Agencies	7,063,845	6,751,970	6,747,580	7,005,690	7,553,340
General Expense	5,720,554	23,789,050	3,687,540	11,123,200	19,460,030
Debt Service	46,954,901	51,296,790	42,532,540	56,356,500	52,391,470
Contingency Fund	-0-	200,910	93,170	175,000	-0-
Sub-Total	59,739,300	82,038,720	53,060,830	74,660,390	79,404,840
Total All Departments	\$ 718,938,792	\$ 935,539,870	\$ 891,649,420	\$ 879,941,110	\$ 945,444,660

**SUMMARY BY CHARACTER OF EXPENDITURES**

	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Personal Services	\$ 298,656,811	\$ 324,236,770	\$ 317,950,340	\$ 341,519,970	\$ 328,845,490
Services	174,184,665	194,953,780	191,810,840	195,922,110	190,716,190
Commodities	51,174,912	53,575,410	57,124,350	52,846,570	55,953,580
Equipment	16,426,913	17,194,150	17,965,060	16,690,910	17,709,520
Debt Service	74,601,368	80,023,330	71,543,950	87,163,560	83,333,560
Other	46,539,491	46,136,220	27,608,680	48,331,850	36,040,450
Inter-Activity Transfers	(62,518,845)	(39,207,190)	(27,050,340)	(40,752,860)	(24,577,130)
Operating Total	599,065,315	676,912,470	656,952,880	701,722,110	688,021,660
Capital Improvements	119,873,477	258,627,400	234,696,540	178,219,000	257,423,000
Total All Expenditures	\$ 718,938,792	\$ 935,539,870	\$ 891,649,420	\$ 879,941,110	\$ 945,444,660

## REVENUE DETAIL

### All Funds Summary

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
GENERAL FUND	\$ 312,184,231	\$ 338,248,240	\$ 328,486,910	\$ 330,730,350	\$ 330,957,130
SPECIAL REVENUE FUNDS	252,574,174	320,469,580	325,106,360	290,115,310	327,469,510
ENTERPRISE FUNDS	120,963,416	127,991,220	123,208,660	136,376,220	142,565,850
DEBT SERVICE FUNDS	36,365,913	36,791,630	35,662,170	39,202,260	39,349,870
CAPITAL PROJECTS FUNDS	52,094,813	112,039,200	119,066,110	73,458,000	105,102,300
<b>TOTAL ALL FUNDS</b>	<b>\$ 774,182,547</b>	<b>\$ 935,539,870</b>	<b>\$ 931,530,210</b>	<b>\$ 869,882,140</b>	<b>\$ 945,444,660</b>
<b>General Fund</b>					
Primary Property Tax	\$ 3,494,674	\$ 4,612,960	\$ 4,601,930	\$ 3,864,260	\$ 8,477,300
Business Privilege Tax	101,410,652	104,096,980	99,953,840	111,708,430	111,645,370
Other Local Taxes	16,879,672	17,839,710	16,992,400	18,526,990	19,700,500
Licenses and Permits	16,087,702	15,953,740	15,953,740	16,451,710	15,803,260
Fines, Forfeitures, and Penalties	7,950,845	7,963,120	8,363,120	8,347,600	9,095,200
Use of Money and Property	3,217,779	6,065,670	3,420,980	6,161,850	2,172,280
Grants and Shared Taxes	56,728,152	60,542,620	59,435,880	62,963,620	61,663,830
State Revenue Sharing	50,933,526	52,388,880	51,808,070	54,601,440	43,388,700
Charges for Current Services	16,828,705	20,220,760	18,783,150	22,014,150	20,915,920
Non-Revenue Receipts	3,599,660	10,581,690	10,581,690	10,992,480	9,731,980
Certificates of Participation	10,565,590	15,802,900	15,802,900	12,222,000	23,306,700
Brought Forward	10,231,394	6,061,710	6,061,710	517,700	1,154,500
Use of Fund Balance	14,255,880	16,117,500	16,727,500	2,358,120	3,901,590
<b>Total General Fund</b>	<b>\$ 312,184,231</b>	<b>\$ 338,248,240</b>	<b>\$ 328,486,910</b>	<b>\$ 330,730,350</b>	<b>\$ 330,957,130</b>
<b>Special Revenue Funds</b>					
Business Privilege Tax	\$ 56,728,813	\$ 62,231,120	\$ 61,822,560	\$ 62,936,070	\$ 56,554,630
Licenses and Permits	11,500	10,000	10,000	10,000	358,000
Fines and Forfeitures	-0-	-0-	-0-	-0-	663,000
Use of Money and Property	1,479,392	1,553,160	1,553,160	1,602,860	2,772,920
Grants and Shared Taxes	61,450,783	65,410,870	57,322,220	70,410,330	70,603,710
Charges for Current Services	24,231,669	26,736,100	24,816,360	27,624,370	31,077,040
Public Housing Local Revenue	2,027,660	2,027,660	2,027,660	2,027,660	2,027,660
Federal Grants	79,325,284	134,282,230	147,404,850	121,426,010	140,491,510
Non-Revenue Receipts	531,596	-0-	-0-	-0-	-0-
Certificates of Participation	321,500	-0-	-0-	-0-	-0-
Brought Forward	14,817,897	17,132,400	17,062,400	3,752,310	13,390,600
Use of Fund Balance	11,648,080	11,086,040	13,087,150	325,700	9,530,440
<b>Total Special Revenue Funds</b>	<b>\$ 252,574,174</b>	<b>\$ 320,469,580</b>	<b>\$ 325,106,360</b>	<b>\$ 290,115,310</b>	<b>\$ 327,469,510</b>

**All Funds Summary (Continued)**

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Enterprise Funds					
Golf Course	\$ 9,851,778	\$ 10,712,220	\$ 9,820,800	\$ 10,710,220	\$ 10,399,530
Water Utility	111,111,638	117,279,000	113,387,860	125,666,000	132,166,320
	<hr/>				
Total Enterprise Funds	\$ 120,963,416	\$ 127,991,220	\$ 123,208,660	\$ 136,376,220	\$ 142,565,850
	<hr/>				
Debt Service Funds					
Secondary Property Tax	\$ 20,817,632	\$ 20,756,360	\$ 20,674,970	\$ 22,907,710	\$ 23,055,320
State Shared Taxes	15,548,281	16,035,270	14,987,200	16,294,550	16,294,550
	<hr/>				
Total Debt Service Funds	\$ 36,365,913	\$ 36,791,630	\$ 35,662,170	\$ 39,202,260	\$ 39,349,870
	<hr/>				
Capital Projects Funds					
Bond Funds Proceeds	\$ 52,094,813	\$ 112,039,200	\$ 119,066,110	\$ 73,458,000	\$ 105,102,300
	<hr/>				
Total Capital Projects Funds	\$ 52,094,813	\$ 112,039,200	\$ 119,066,110	\$ 73,458,000	\$ 105,102,300
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## GENERAL FUND

The General Fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in other funds. These services include Elected and Official, Neighborhood Services, Environment and Development, Strategic Initiatives, Support Services, and Non-Departmental program categories.

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Primary Property Tax	\$ 3,494,674	\$ 4,612,960	\$ 4,601,930	\$ 3,864,260	\$ 8,477,300
Business Privilege Tax	\$ 101,410,652	\$ 104,096,980	\$ 99,953,840	\$ 111,708,430	\$ 111,645,370
Other Local Taxes					
Public Utility Tax	\$ 7,853,433	\$ 7,499,440	\$ 7,795,600	\$ 7,799,420	\$ 7,951,500
Transient Occupancy Tax	4,562,251	5,486,000	4,643,500	5,707,440	7,104,600
Room Tax	1,777,182	2,022,800	1,812,700	2,103,710	1,849,000
Occupational Taxes	1,941,135	2,100,170	1,980,000	2,163,180	2,019,600
Liquor Taxes	745,671	731,300	760,600	753,240	775,800
Total	\$ 16,879,672	\$ 17,839,710	\$ 16,992,400	\$ 18,526,990	\$ 19,700,500
Licenses and Permits					
Sign Permits	\$ 326,742	\$ 263,680	\$ 263,680	\$ 271,590	\$ 280,000
Parking Meter Collections	701,835	563,410	563,410	580,320	304,720
Hooded Meter Fees	29,112	32,960	32,960	33,950	24,260
Vehicle Permits	50,973	50,985	50,985	52,520	50,700
Developer In Lieu Fees	221,376	-0-	-0-	-0-	-0-
Cable Television Licenses	2,956,561	3,568,535	3,568,535	3,675,580	4,370,580
MCI Settlement	-0-	231,750	231,750	238,700	-0-
Telecommunications	7,500	7,730	7,730	7,970	5,000
Applications Fee					
Telecommunications Licenses and Franchise Fees	591,604	1,106,220	1,106,220	1,139,410	437,000
Utility Franchise Fees	11,201,999	10,128,470	10,128,470	10,451,670	10,331,000
Total	\$ 16,087,702	\$ 15,953,740	\$ 15,953,740	\$ 16,451,710	\$ 15,803,260
Fines, Forfeitures, and Penalties					
Civil Traffic Diversion Program	\$ 1,816,337	\$ 1,600,000	\$ 1,800,000	\$ 1,650,000	\$ 2,324,000
Prosecutor's Diversion Program	127,020	147,200	147,200	154,570	149,400
Civil Traffic Violations	465,080	350,000	350,000	375,000	472,100
Criminal Traffic Violations	4,033,966	3,750,000	3,950,000	3,800,000	4,910,600
Non-Moving Traffic Violations	-0-	2,100	2,100	2,210	-0-
Criminal Misdemeanor	-0-	100	100	100	-0-
Driving While Intoxicated	63,041	57,740	57,740	60,640	58,300
Filing Fees-Domestic Violence	42,668	45,000	45,000	49,610	43,100
Probation Fees	263,146	315,000	315,000	330,750	321,000
City Court Miscellaneous	244,298	150,000	150,000	301,060	248,900
Time Payment Fees	184,310	150,000	150,000	165,270	187,800
Sub-Total	7,239,866	6,567,140	6,967,140	6,889,210	8,715,200

**General Fund (Continued)**

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Other Fines/Forfeitures					
Parking Violations	\$ 541,115	\$ 1,269,600	\$ 1,269,600	\$ 1,325,680	\$ 332,400
Zoning Code Violations	27,913	21,000	21,000	22,050	21,200
Fire Code Violations	400	2,100	2,100	2,210	500
Building Code Violations	11,651	3,000	3,000	3,150	2,500
Other Fines/Forfeitures	106,558	2,100	2,100	2,210	2,400
False Alarm Violations	8,510	21,000	21,000	22,050	5,000
Offroad Vehicle Violations	3,954	6,300	6,300	6,620	5,000
Dishonored Check	10,878	70,880	70,880	74,420	11,000
Sub-Total	710,979	1,395,980	1,395,980	1,458,390	380,000
Total	\$ 7,950,845	\$ 7,963,120	\$ 8,363,120	\$ 8,347,600	\$ 9,095,200
Use of Money and Property					
City Parking Facilities	\$ 804,273	\$ 1,373,830	\$ 874,140	\$ 1,389,100	\$ 41,460
Rentals	339,290	495,360	454,360	511,210	348,540
Tenant Rent	597,096	748,750	748,750	804,280	804,280
El Presidio Garage	168,762	175,440	175,440	181,050	-0-
Telephone Pay Booths	17,720	25,800	25,800	26,630	18,000
Residential Parking Permit	12,936	20,020	20,020	20,660	-0-
Non-Residential Parking Permit	126,747	76,470	76,470	78,920	-0-
Interest Earnings	1,150,955	3,150,000	1,046,000	3,150,000	960,000
Total	\$ 3,217,779	\$ 6,065,670	\$ 3,420,980	\$ 6,161,850	\$ 2,172,280
Grants and Shared Taxes					
Shared State Taxes					
Auto Lieu Taxes	\$ 19,057,762	\$ 18,530,060	\$ 18,855,000	\$ 18,957,640	\$ 20,193,000
State Sales Tax	37,533,053	39,483,000	38,203,960	41,457,200	38,833,000
Sub-Total	56,590,815	58,013,060	57,058,960	60,414,840	59,026,000
State and Local Grants					
City Manager's Office	3,412	-0-	-0-	-0-	-0-
City Attorney Grants	67,808	207,810	87,840	210,010	210,010
City Court Grants	11,083	175,000	141,570	175,000	250,000
Police Grants	14,796	1,756,430	1,756,430	1,769,230	1,769,230
Parks and Recreation Grants	40,238	390,320	391,080	394,540	408,590
Sub-Total	137,337	2,529,560	2,376,920	2,548,780	2,637,830
Total	\$ 56,728,152	\$ 60,542,620	\$ 59,435,880	\$ 62,963,620	\$ 61,663,830
State Revenue Sharing	\$ 50,933,526	\$ 52,388,880	\$ 51,808,070	\$ 54,601,440	\$ 43,388,700

**General Fund (Continued)**

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Charges for Current Services					
General Government					
Zoning Adjustments	\$ 231,476	\$ 491,200	\$ 491,200	\$ 502,850	\$ 803,000
Mutual Aid Communication System	26,000	27,040	27,040	28,120	26,000
Dispatch IGA	392,830	380,120	380,120	395,330	419,580
Sale of Codes, Regulations, and Maps	23,913	29,700	29,700	30,890	25,000
Other	15,634	5,200	5,200	5,410	92,150
Sub-Total	689,853	933,260	933,260	962,600	1,365,730
Public Safety					
University of Arizona Fire Services	100,000	104,000	104,000	108,160	108,160
Emergency Medical Transport	4,001,433	5,800,000	4,901,000	6,032,080	5,000,000
Police Charges	64,139	54,500	54,500	56,680	65,200
Police Protection	1,044	6,450	6,450	6,710	1,010
Sub-Total	4,166,616	5,964,950	5,065,950	6,203,630	5,174,370
Development Services Charges					
Permit Inspection Fee	7,436,933	7,328,450	7,328,450	7,475,020	7,743,020
Review Fees	1,221,496	1,248,770	1,248,770	1,273,750	1,476,750
Other	33,490	20,800	288,800	21,630	294,630
Sub-Total	8,691,919	8,598,020	8,866,020	8,770,400	9,514,400
Recreation					
Fee Classes	1,066,038	1,351,190	904,000	1,740,900	1,036,180
Facility Reservations	224,397	257,920	233,160	330,970	240,820
Permits	73,280	94,140	85,100	120,570	101,160
Civic Events Equipment	50,871	124,590	112,630	160,210	102,530
General Recreation Programs	32,841	140,430	126,950	180,640	508,610
Sports Programs	155,194	238,900	215,970	307,200	276,610
Udall Center Programs	160,529	199,080	179,970	256,510	179,170
Randolph Center Programs	25,473	38,530	34,830	49,550	31,710
Tennis Centers	42,683	69,360	62,700	89,190	57,080
Swimming Pool Admissions	143,625	249,550	225,590	320,900	378,380
El Pueblo Center Programs	128,844	141,280	127,720	181,680	122,080
Zoo Concessions	797,599	1,434,670	1,219,370	1,843,570	1,179,890
Baseball Revenues	310,870	329,190	297,590	424,130	271,440
El Rio Center Programs	2,654	7,710	6,970	9,870	6,320
Quincie Douglas Center	14,804	3,210	2,900	4,100	2,620

## General Fund (Continued)

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Recreation (Continued)					
Clements Center	\$ 15,365	\$ 19,260	\$ 17,400	\$ 24,650	\$ 15,780
Rodeo Grounds	35,250	25,520	23,070	32,880	21,040
Miscellaneous	-0-	-0-	42,000	-0-	330,000
Sub-Total	3,280,317	4,724,530	3,917,920	6,077,520	4,861,420
Total	\$ 16,828,705	\$ 20,220,760	\$ 18,783,150	\$ 22,014,150	\$ 20,915,920
Non-Revenue Receipts					
Sale of Property					
Real Property	\$ -0-	\$ 408,000	\$ 408,000	\$ 416,160	\$ 416,160
Vehicles	54,973	71,400	71,400	72,830	72,830
Scrap Material	175,199	17,140	17,140	17,480	17,480
Unclaimed Property	8,869	28,560	28,560	29,130	29,130
Other	59,798	32,640	32,640	33,290	33,290
Sub-Total	298,839	557,740	557,740	568,890	568,890
Recovered Expenditures					
Uninsured Damages	234,793	71,400	71,400	72,830	72,830
Industrial Insurance	134,373	112,200	112,200	114,440	114,440
Payroll Deductions Charges	2,273	2,040	2,040	2,080	2,080
Other	446,083	1,047,360	1,047,360	1,861,890	597,390
Sub-Total	817,522	1,233,000	1,233,000	2,051,240	786,740
Sundry Income					
Reimbursement Court Attorney Fees	66,797	71,400	71,400	72,830	72,830
Employee Fees	8,776	5,100	5,100	5,200	5,200
Other	238,877	43,450	43,450	44,320	44,320
Sub-Total	314,450	119,950	119,950	122,350	122,350
Other General Revenues	-0-	4,000,000	4,000,000	4,000,000	4,000,000
Off Duty Police Program	1,962,872	3,000,000	3,000,000	3,000,000	3,000,000
Other Funding Sources	205,977	1,671,000	1,671,000	1,250,000	1,254,000
Total	\$ 3,599,660	\$ 10,581,690	\$ 10,581,690	\$ 10,992,480	\$ 9,731,980
Certificates of Participation	\$ 10,565,590	\$ 15,802,900	\$ 15,802,900	\$ 12,222,000	\$ 23,306,700
Brought Forward	\$ 10,231,394	\$ 6,061,710	\$ 6,061,710	\$ 517,700	\$ 1,154,500
Use of Fund Balance	\$ 14,255,880	\$ 16,117,500	\$ 16,727,500	\$ 2,358,120	\$ 3,901,590
<b>Total General Fund</b>	<b>\$ 312,184,231</b>	<b>\$ 338,248,240</b>	<b>\$ 328,486,910</b>	<b>\$ 330,730,350</b>	<b>\$ 330,957,130</b>

## **General Fund (Continued)**

### **HIGHLIGHTS**

#### **Primary Property Tax**

The city's Fiscal Year 2004 recommended revenue is \$3,864,340 higher than the Fiscal Year 2003 Adopted Budget due to an increase in the primary rate from \$0.2089 to \$0.3611 per \$100 assessed valuation and expected increase in property assessments for new development, annexations, and inflation. The increase from the Fiscal Year 2004 approved estimate is \$4,613,040 based on the original planned reduction of \$748,700 to offset an increase in the secondary property tax rate used for debt service on the voter approved 2000 Bond Authorization.

#### **Business Privilege Tax**

Revenue from the business privilege tax is a funding source for the general fund and various special revenue funds. For Fiscal Year 2004 the total projected sales tax collections are \$168,200,000 a 1.1% increase over the Fiscal Year 2003 adopted amount. This increase is the result of a 2.9% decrease in Fiscal Year 2003 estimated revenues and a 4% projected increase for Fiscal Year 2004 over the Fiscal Year 2003 estimate. Of the Fiscal Year 2004 total, \$111,645,370 is allocated to the general fund and \$56,554,630 to special revenue funds. The Fiscal Year 2004 recommendation is \$6,454,500 less than originally projected.

#### **Other Local Taxes**

Other local taxes revenues for Fiscal Year 2004 are projected to increase \$1,860,790 over the adopted Fiscal Year 2003, primarily due to an increase in the transient occupancy tax rate from 4% to 6%. This rate increase is projected to provide an additional \$2,368,200 over revised revenue estimates in Fiscal Year 2004. No rate increases are assumed for other taxes.

#### **Licenses and Permits**

This revenue source decreased by \$150,480 from adopted Fiscal Year 2003 revenues. The continued growth of cable television licenses of \$802,045 were offset by decreases in various telecommunication sources. In addition the share of parking meter collections allocated to Transportation Enterprise Area Management (TEAM) are now shown in Special Revenues.

#### **Fines, Forfeitures, and Penalties**

Total revenues from all fines, forfeitures, and penalties are forecast to increase \$1,132,080 from Fiscal Year 2003 adopted revenues. This was mostly due to increased collection rates of court fines. Fiscal Year 2004 revenues were originally projected to increase only \$384,480.

#### **Use of Money and Property**

A decrease of \$3,893,390 for Fiscal Year 2004 from Fiscal Year 2003 adopted revenues is projected for these revenue sources primarily due to a \$2,190,000 decrease in interest earnings and the transfer of parking garage revenues to TEAM in Special Revenues.

#### **Grants and Shared Taxes**

State shared taxes and other state and local grant funds increased \$1,121,210 for Fiscal Year 2004 over Fiscal Year 2003 adopted revenues. State sales tax collections are projected to be \$650,000 lower than Fiscal Year 2003 adopted and \$2,624,200 less than Fiscal Year 2004 approved estimates. This decrease is offset by increases in the auto lieu tax and other grants.

#### **State Revenue Sharing**

A decrease in state income taxes of \$9,000,180 is forecast for Fiscal Year 2004 compared to the Fiscal Year 2003 Adopted Budget primarily due to reduced corporate income and investment tax receipts. This is an \$11,212,740 decrease from the original Fiscal Year 2004 estimates. Because of the lag in distribution of income taxes to local governments, the impact of the Fiscal Year 2002 recession is reflected in Fiscal Year 2004.

## **General Fund (Continued)**

### **Charges for Current Services**

Total charges for current services for Fiscal Year 2004 are projected to increase \$695,160 over Fiscal Year 2003 adopted revenues. The following major increases are included:

- ◆ Zoning Adjustments increased \$311,800, primarily due to rate increases of \$300,000.
- ◆ Emergency medical transport is decreased \$800,000 due to lower medicare payments.
- ◆ Development Services charges increased \$916,380 due to a combination of increased rates and development activity.
- ◆ Parks and Recreation increased \$136,890. Although a \$1,253,900 rate increase is recommended in Fiscal Year 2004, actual revenues have been lower than approved in prior years, resulting in a much smaller revenue increase for Fiscal Year 2004. Budget reductions will result in a loss of \$275,000. Parks and Recreation fees will take longer than the planned five years to reach a 30% cost recovery rate.

Fiscal Year 2004 revenues are \$1,098,230 lower than projected in the approved Fiscal Year 2004 budget.

### **Non-Revenue Receipts**

These sources are projected to decrease \$849,710 for Fiscal Year 2004 primarily due to a reduction in recovered expenditures and other funding sources.

The proposed allotment of other general revenues reflects capacity for additional revenues that will be utilized to meet unexpected service demands or opportunities contingent upon the availability of funds. In no event will revenues be expended from this source without Mayor and Council review and approval.

### **Certificates of Participation**

Certificates of participation increased \$7,503,800 based on financing requirements. This increase is primarily due to construction of the Emergency Communication System and Facility.

### **Brought Forward**

Brought forward funding will decrease \$4,907,210 from the Fiscal Year 2003 adopted amount based on carryforward requirements.

### **Use of Fund Balance**

Use of fund balance is budgeted \$12,215,910 lower than Fiscal Year 2003 based on the reduced availability of funding from prior years.

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute, charter provision, local ordinance, or federal grant regulation to record particular operating or capital functions of the city.

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Business Privilege Tax					
Solid Waste Management Fund	\$ 15,461,330	\$ 14,627,120	\$ 15,816,080	\$ 13,161,740	\$ 9,215,700
Library Fund	8,539,560	9,047,850	8,191,530	9,502,230	8,200,690
Public Safety Academy Fund	2,258,425	3,821,750	3,128,330	3,975,850	3,857,720
Tucson Convention Center Fund	6,524,550	7,557,770	7,786,270	7,477,530	7,181,760
Mass Transit Fund	23,944,948	27,176,630	26,900,350	28,818,720	28,098,760
<b>Total</b>	<b>\$ 56,728,813</b>	<b>\$ 62,231,120</b>	<b>\$ 61,822,560</b>	<b>\$ 62,936,070</b>	<b>\$ 56,554,630</b>
Licenses and Permits					
Solid Waste Management Fund					
Refuse Hauling Fees	\$ 11,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Transportation Enterprise Area Management (TEAM) Parking Meter Collections	-0-	-0-	-0-	-0-	348,000
<b>Total</b>	<b>\$ 11,500</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 358,000</b>
Fines, Forfeitures, and Penalties					
TEAM Parking Violations	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 663,000
<b>Total</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 663,000</b>
Use of Money and Property					
Interest Earnings					
Solid Waste Management Fund	\$ 13,625	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Safety Fund	8,497	-0-	-0-	-0-	-0-
Convention Center Fund	36,289	-0-	-0-	-0-	-0-
TEAM	-0-	-0-	-0-	-0-	1,170,060
Highway User Revenue Fund	1,420,981	1,553,160	1,553,160	1,602,860	1,602,860
<b>Total</b>	<b>\$ 1,479,392</b>	<b>\$ 1,553,160</b>	<b>\$ 1,553,160</b>	<b>\$ 1,602,860</b>	<b>\$ 2,772,920</b>
Grants and Shared Taxes					
Shared State Taxes					
Highway User Revenue Fund	\$ 26,969,767	\$ 30,385,530	\$ 29,000,530	\$ 30,908,580	\$ 30,908,580
Local Transit Assistance Fund	2,762,686	2,707,000	2,767,000	2,707,000	2,767,000
<b>Sub-Total</b>	<b>29,732,453</b>	<b>33,092,530</b>	<b>31,767,530</b>	<b>33,615,580</b>	<b>33,675,580</b>

## Special Revenue Funds (Continued)

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
State and Local Grants					
City Attorney Grants	\$ 80,295	\$ 155,010	\$ 110,260	\$ 160,340	\$ 160,730
City Court Grants	135,520	362,000	143,770	365,080	359,060
Community Services Grants	57,190	500,000	500,000	650,000	650,000
Fire Grants	6,720	350,000	-0-	350,000	576,000
Pima County Library Support	9,040,000	10,176,980	9,676,080	10,656,500	10,261,700
State/Local Library Grants	2,474,375	1,150,000	650,000	500,000	500,000
Parks and Recreation Grants	4,647,723	3,530,830	3,527,120	5,896,420	5,365,540
Police Grants	821,871	1,098,390	932,070	1,095,790	1,053,200
Solid Waste Management Grants	18,248	410,000	410,000	410,000	410,000
Transportation Grants	9,079,987	7,754,950	7,026,950	6,915,000	10,117,000
Environmental Management	4,100,000	-0-	-0-	-0-	1,364,900
Comprehensive Planning	56,429	210,000	210,000	210,000	210,000
Operations Grants	239,501	1,500,000	1,398,260	1,500,000	1,500,000
Economic Development	20,887	34,560	34,560	-0-	-0-
General Expense	139,584	285,620	135,620	285,620	-0-
Debt Service	800,000	4,800,000	800,000	7,800,000	4,400,000
<b>Sub-Total</b>	<b>31,718,330</b>	<b>32,318,340</b>	<b>25,554,690</b>	<b>36,794,750</b>	<b>36,928,130</b>
<b>Total</b>	<b>\$ 61,450,783</b>	<b>\$ 65,410,870</b>	<b>\$ 57,322,220</b>	<b>\$ 70,410,330</b>	<b>\$ 70,603,710</b>
Charges for Current Services					
Public Safety					
Public Safety Academy	\$ 1,153,032	\$ 836,020	\$ 836,020	\$ 854,280	\$ 854,280
Sanitation					
Commercial Refuse Services	5,153,587	5,782,880	5,025,520	6,002,200	5,780,000
Landfill Services Charges	3,754,615	4,345,120	4,095,120	4,518,930	5,322,780
Brush and Bulky	-0-	-0-	-0-	-0-	2,916,000
Self Haul Fee	642,543	580,320	580,320	603,530	551,020
Refuse Penalties	104,087	135,200	135,200	140,610	128,380
Recycling	70,807	297,840	240,840	549,750	501,920
<b>Sub-Total</b>	<b>9,725,639</b>	<b>11,141,360</b>	<b>10,077,000</b>	<b>11,815,020</b>	<b>15,200,100</b>
Library Charges	548,150	629,200	629,200	654,370	654,370
Public Transportation					
Adult Fares	5,336,360	5,459,630	5,459,630	5,509,630	5,599,000
Special Reduced Rates	1,346,112	1,508,720	1,508,720	1,508,720	1,532,860
Shuttle Service	36,791	215,620	215,620	215,620	219,070
Advertising Revenue	53,992	70,000	70,000	70,000	271,120
County/Other Local Operating Assistance	2,734,488	2,578,770	2,578,770	2,578,770	2,620,030
Special Needs	281,832	262,260	262,260	262,260	266,460
Other	234,343	105,000	116,000	105,000	106,680
<b>Sub-Total</b>	<b>10,023,918</b>	<b>10,200,000</b>	<b>10,211,000</b>	<b>10,250,000</b>	<b>10,615,220</b>



# **Special Revenue Funds (Continued)**

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Tucson Convention Center					
Room and Space Rental	\$ 938,617	\$ 1,560,000	\$ 1,210,000	\$ 1,622,400	\$ 1,609,930
Box Office Fees	173,279	200,000	200,000	200,000	169,000
Parking	738,572	728,000	575,000	757,120	622,500
Recovered Expenditures	46,364	46,800	46,800	48,670	41,130
Catering and Concessions	423,499	572,000	500,000	594,880	502,670
Program Sales	40,572	72,800	72,800	75,710	63,970
Commission Revenues	88,356	49,920	49,920	51,920	43,870
Facility User Fees	333,102	700,000	408,620	700,000	700,000
Miscellaneous		-0-	-0-	-0-	-0-
	(1,431)				
Sub-Total	2,780,930	3,929,520	3,063,140	4,050,700	3,753,070
Total	\$ 24,231,669	\$ 26,736,100	\$ 24,816,360	\$ 27,624,370	\$ 31,077,040
Public Housing Local Revenue	\$ 2,027,660	\$ 2,027,660	\$ 2,027,660	\$ 2,027,660	\$ 2,027,660
Federal Grants					
Public Housing Federal Revenue					
Conventional/Development Fund	\$ 3,736,290	\$ 4,013,700	\$ 4,013,700	\$ 3,990,200	\$ 3,990,200
HOME Fund	5,036,965	7,435,000	7,435,000	7,535,000	7,535,000
Section 8 Fund	23,181,835	23,965,200	23,965,200	23,861,110	23,861,110
Comprehensive Housing Fund	2,450,183	3,516,100	3,516,100	3,319,050	3,340,450
Miscellaneous Federal Housing Funds	2,148,469	4,995,170	4,995,170	5,981,020	5,841,020
HOPE VI Fund	3,535,783	5,350,860	9,937,680	4,774,000	3,714,500
Sub-Total	40,089,525	49,276,030	53,862,850	49,460,380	48,282,280
Other Federal Revenue					
Community Development Block Grant Entitlement	7,733,884	13,093,870	14,061,690	12,744,770	12,512,970
City Attorney Grants	268,303	357,950	196,480	380,220	383,980
Community Services Grants	802,228	1,651,400	1,651,400	1,366,810	1,366,810
Fire Grants	305,495	300,000	389,580	-0-	4,032,400
Parks and Recreation Grants	367,429	664,240	597,690	671,550	619,560
Library Grants	95,361	-0-	58,380	-0-	-0-
Police Grants	6,286,264	6,330,030	5,651,390	5,904,580	6,250,450
Planning Grants	5,346	100,000	20,000	80,000	80,000
Solid Waste Management Grants	2,503	-0-	-0-	-0-	-0-
Mass Transit Grants	15,441,065	23,948,500	26,059,090	24,494,000	40,466,550
Transportation Grants	7,612,863	36,360,210	42,656,420	24,323,700	23,654,460
Environmental Management	38,466	200,000	200,000	-0-	-0-
Economic Development	169,651	500,000	499,880	500,000	542,050

## Special Revenue Funds (Continued)

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Other Federal Revenue (Continued)					
Operations Grant	\$ 99,698	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
General Expense	7,203	-0-	-0-	-0-	-0-
Debt Service	-0-	-0-	-0-	-0-	800,000
Sub-Total	39,235,759	85,006,200	93,542,000	71,965,630	92,209,230
Total	\$ 79,325,284	\$ 134,282,230	\$ 147,404,850	\$ 121,426,010	\$ 140,491,510
Non-Revenue Receipts					
Sale of Property					
Highway User Revenue Fund	\$ 313,019	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Mass Transit Fund	69,757	-0-	-0-	-0-	-0-
Sub-Total	382,776	-0-	-0-	-0-	-0-
Recovered Expenditures					
Solid Waste Fund	4,671	-0-	-0-	-0-	-0-
Library Fund	1,398	-0-	-0-	-0-	-0-
Highway User Revenue Fund	42,751	-0-	-0-	-0-	-0-
Mass Transit Fund	100,000	-0-	-0-	-0-	-0-
Sub-Total	148,820	-0-	-0-	-0-	-0-
Total	\$ 531,596	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificates of Participation					
Public Safety Academy Fund	\$ 321,500	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 321,500	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Brought Forward					
Solid Waste Management Fund	\$ 1,744,726	\$ -0-	\$ -0-	\$ 3,231,000	\$ -0-
Library Fund	-0-	-0-	-0-	-0-	-0-
Tucson Convention Center Fund	-0-	108,000	38,000	-0-	-0-
Capital Contribution Agreements	7,331,700	11,986,900	11,986,900	-0-	8,872,200
Highway User Revenue Fund	3,577,000	3,890,300	3,890,300	521,310	3,589,000
Mass Transit Fund	2,164,471	1,147,200	1,147,200	-0-	929,400
Total	\$ 14,817,897	\$ 17,132,400	\$ 17,062,400	\$ 3,752,310	\$ 13,390,600
Use of Fund Balance					
Solid Waste Management Fund	\$ 1,654,800	\$ 4,748,700	\$ 4,748,700	\$ -0-	\$ 7,055,700
Highway User Revenue Fund	9,993,280	6,337,340	8,268,450	325,700	2,192,960
Tucson Convention Center Fund	-0-	-0-	70,000	-0-	-0-
TEAM	-0-	-0-	-0-	-0-	281,780
Total	\$ 11,648,080	\$ 11,086,040	\$ 13,087,150	\$ 325,700	\$ 9,530,440
<b>Total Special Revenue Funds</b>	<b>\$252,574,174</b>	<b>\$ 320,469,580</b>	<b>\$ 325,106,360</b>	<b>\$ 290,115,310</b>	<b>\$ 327,469,510</b>

## **Special Revenue Funds (Continued)**

### **HIGHLIGHTS**

#### **Business Privilege Tax**

Changes from Fiscal Year 2003 reflect increases/decreases necessary to offset the expenditures for these funds based on their projected budgets and revenues. Because funding from other sources increased in Solid Waste Management, Library, and Tucson Convention Center, and reductions were made in expenditure budgets, the need to use business privilege taxes decreased \$5,675,490.

#### **Licenses and Permits**

Parking meter revenues allocated to TEAM are transferred from General Funds.

#### **Use of Money and Property**

Revenues from parking garages allocated to TEAM are transferred from General Funds. In addition interest earnings are projected to increase \$49,700 in Fiscal Year 2004.

#### **Grants and Shared Taxes**

For Fiscal Year 2004 state shared taxes and other state and local grants increased \$5,192,840 from Fiscal Year 2003 adopted budgets based on implementation of funded programs and projects. Major changes include the following:

- ◆ Grant capacity for parks and recreation programs increased \$1,834,710.
- ◆ Grant funding for transportation purposes increased \$2,362,050 for street projects.
- ◆ Environmental Management grants increased \$1,364,900 for landfill projects.

#### **Charges for Current Services**

Charges for current services are forecast to increase \$4,340,940 for Fiscal Year 2004 primarily in sanitation due to a new brush and bulky fee (\$2,916,000) and fee increases for commercial and landfill services.

#### **Public Housing Local Revenue**

Local revenues restricted to public housing are anticipated to be at the same level for both Fiscal Years 2003 and 2004.

#### **Federal Grants**

Federal funding is anticipated to be \$6,209,280 higher for Fiscal Year 2004. Major changes are as follows:

- ◆ Public Housing funds decreased \$993,750 based on completion of federally funded projects.
- ◆ Community Development Block Grant (CDBG) funding decreased \$580,900.
- ◆ Fire department grants increased \$3,732,400.
- ◆ Mass Transit and other transportation grants increased \$3,812,300 for capital projects.

#### **Brought Forward**

Brought forward funding will decrease \$3,741,800 from Fiscal Year 2003 based on carryforward requirements.

#### **Use of Fund Balance**

Use of fund balances decreased \$1,555,600 for Fiscal Year 2004 based on requirements for the use of reserves.

## ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises and where periodic determination of net income is desired. Expenses, including depreciation, of goods or services to the general public are recovered primarily through user charges.

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
Golf Course Fund					
Green Fees	\$ 5,236,000	\$ 5,307,770	\$ 4,554,360	\$ 5,408,000	\$ 5,208,000
Cart Rentals	1,692,000	1,850,000	1,850,000	2,200,000	2,000,000
Pro Shop Operations	543,000	570,000	570,000	580,000	580,000
Driving Range	525,000	535,000	535,000	545,000	545,000
Club House Operations	1,285,000	1,290,000	1,290,000	1,380,000	1,130,410
Other	444,182	702,650	702,650	597,220	597,220
Certificates of Participation	126,596	456,800	318,790	-0-	338,900
Total	<u>\$ 9,851,778</u>	<u>\$ 10,712,220</u>	<u>\$ 9,820,800</u>	<u>\$ 10,710,220</u>	<u>\$ 10,399,530</u>
Water Utility					
Operating Water Revenue					
Potable Water Sales	\$ 91,916,000	\$ 94,256,000	\$ 95,842,000	\$ 100,517,000	\$ 100,107,000
Central Arizona Project Reserve Fund	953,000	956,000	1,255,000	977,000	1,498,000
Connection Fees	3,151,000	3,123,000	3,168,000	3,123,000	3,168,000
Miscellaneous Revenue	2,213,000	2,586,000	2,840,000	2,599,000	2,589,000
Pima County - Sewer Billing Services	1,419,000	1,448,000	1,446,000	1,477,000	1,475,000
Reclaimed Water Sales	5,567,000	5,044,000	5,323,000	5,504,000	5,397,000
Sales Tax	-0-	7,123,000	7,904,000	7,595,000	8,252,000
Sub-Total	<u>105,219,000</u>	<u>114,536,000</u>	<u>117,778,000</u>	<u>121,792,000</u>	<u>122,486,000</u>
Non-Operating Water Revenue					
Interest Earnings-Operating Fund	1,498,000	1,008,000	810,000	993,000	795,000
Tucson Airport Remediation Project Reimbursement	667,000	777,000	777,000	783,000	783,000
Metropolitan Water Company Reserve Account	2,239,638	370,000	370,000	494,000	494,000
Area Development Fees	1,488,000	1,004,000	860,000	1,004,000	8,587,000
Use of Working Capital	-0-	(781,000)	(7,572,140)	450,000	(1,128,680)
Miscellaneous Grants	-0-	365,000	365,000	150,000	150,000
Sub-Total	<u>5,892,638</u>	<u>2,743,000</u>	<u>(4,390,140)</u>	<u>3,874,000</u>	<u>9,680,320</u>
Total	<u>\$ 111,111,638</u>	<u>\$ 117,279,000</u>	<u>\$ 113,387,860</u>	<u>\$ 125,666,000</u>	<u>\$ 132,166,320</u>
<b>Total Enterprise Funds</b>	<b><u>\$ 120,963,416</u></b>	<b><u>\$ 127,991,220</u></b>	<b><u>\$ 123,208,660</u></b>	<b><u>\$ 136,376,220</u></b>	<b><u>\$ 142,565,850</u></b>

## **Enterprise Funds (Continued)**

### **HIGHLIGHTS**

#### **Golf Course Fund**

Golf revenues projected for Fiscal Year 2004 reflect a decrease of \$312,690 from Fiscal Year 2003 adopted revenues.

#### **Water Utility**

The proposed revenue for Fiscal Year 2004 reflects an increase of \$14,887,320 over the Fiscal Year 2003 adopted amount. This includes a new area development connection fee as well as growth in service demand.

## DEBT SERVICE FUNDS

Debt Service Funds are created to account for the payment of principal and interest on long-term bonded debt other than that issued for and serviced primarily by an enterprise fund.

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
General Obligation Debt Service					
Secondary Property Tax	\$ 20,817,632	\$ 20,756,360	\$ 20,674,970	\$ 22,907,710	\$ 23,055,320
Total	\$ 20,817,632	\$ 20,756,360	\$ 20,674,970	\$ 22,907,710	\$ 23,055,320
Street and Highway Debt Service					
State Shared Taxes	\$ 15,548,281	\$ 16,035,270	\$ 14,987,200	\$ 16,294,550	\$ 16,294,550
Total	\$ 15,548,281	\$ 16,035,270	\$ 14,987,200	\$ 16,294,550	\$ 16,294,550
<b>Total Debt Service Funds</b>	<b>\$ 36,365,913</b>	<b>\$ 36,791,630</b>	<b>\$ 35,662,170</b>	<b>\$ 39,202,260</b>	<b>\$ 39,349,870</b>

## HIGHLIGHTS

### General Obligation Debt Service

General obligation debt service is primarily funded from the secondary property tax, which increased \$2,298,960 for Fiscal Year 2004 based on anticipated bond sales.

### Street and Highway Debt Service

Street and highway debt service is financed entirely from the state-shared gasoline taxes and highway user fees and charges. The debt service increased \$259,280 for Fiscal Year 2004.

## CAPITAL PROJECTS FUNDS

Funds for capital projects are created to account for the purchase or construction of major capital facilities which are not financed by General, Special Revenue, or Enterprise Funds.

<b>FINANCIAL SUMMARY</b>	<b>Actual FY 2002</b>	<b>Adopted FY 2003</b>	<b>Estimated FY 2003</b>	<b>Approved FY 2004</b>	<b>Recommended FY 2004</b>
General Obligation Bond Funds Proceeds	\$ 19,750,117	\$ 54,349,400	\$ 54,669,470	\$ 35,749,000	\$ 62,707,100
Street and Highway Revenue Bond Funds Proceeds	10,956,065	13,424,800	19,824,640	5,717,000	11,189,200
Water Revenue Bond Funds Proceeds	21,388,631	44,265,000	44,572,000	31,992,000	31,206,000
<b>Total Capital Projects Funds</b>	<b>\$ 52,094,813</b>	<b>\$ 112,039,200</b>	<b>\$ 119,066,110</b>	<b>\$ 73,458,000</b>	<b>\$ 105,102,300</b>

### HIGHLIGHTS

#### General Obligation Bonds

General obligation bonds are used to finance capital projects other than street and water projects. Fiscal Year 2004 increased \$8,357,700 based on project implementation.

#### Street and Highway Revenue Bonds

Street and highway revenue bonds are used to finance Transportation street and right of way capital projects. Fiscal Year 2004 decreased \$2,235,600 based on project implementation.

#### Water Revenue Bonds

Water revenue bonds used to finance water capital projects decreased \$13,059,000 in Fiscal Year 2004 due to completion of major capital improvements.

## REVENUE DESCRIPTIONS

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### PRIMARY PROPERTY TAX

The city imposes a primary property tax on real and personal property located within the city limits. Revenues from the primary property tax can be used to pay any expense legally chargeable to the General Fund.

The Arizona State Constitution limits the amount of ad valorem taxes levied by the city to an amount not to exceed two percent greater than the maximum permissible levy in the preceding year. This levy limitation permits additional taxes to be levied on new or annexed property. New or annexed property may be taxed at the allowable rate computed for property taxed in the preceding year. Property annexed by November 1 will be taxable in the following year.

The estimated primary property tax for Fiscal Year 2004 is \$8,477,300 or \$3,864,340 more than last year's adopted levy of \$4,612,960. The tax rate increased from \$0.2089 to \$0.3611. Fiscal Year 2004 revenues are also impacted by a 6.6% increase in assessed valuation.

The city is required, under the Truth in Taxation law, to notify taxpayers of its intention to increase primary property taxes over the previous year's levy, unless the amount increased is solely attributable to new construction and annexations. The following table shows the primary assessed valuations, levies, and rates since Fiscal Year 1999.

### PRIMARY PROPERTY TAX (\$000s)

<u>Fiscal Year</u>	<u>Primary Assessed Valuation</u>	<u>Percent Change</u>	<u>Primary Tax Levy*</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>Rate per \$100 Assessed Valuation</u>
1999	\$ 1,809,220	4.7%	\$ 2,584	\$118	4.8%	\$ 0.1428
2000	1,886,840	4.3%	2,596	12	0.5%	0.1428
2001	1,999,070	5.9%	2,810	214	8.2%	0.1406
2002	2,088,308	4.5%	2,931	121	4.3%	0.1403
2003 (Estimate)	2,202,934	5.5%	4,602	1,671	57.0%	0.2089
2004 (Estimate)	2,387,641	8.3%	8,477	3,875	84.2%	0.3611

#### Maximum Allowable Tax Levy:

1999	\$ 6,805
2000	7,117
2001	7,436
2002	7,775
2003 (Estimate)	8,146
2004 (Estimate)	8,477

\*Primary property tax levy set by Mayor and Council.



## SECONDARY PROPERTY TAX

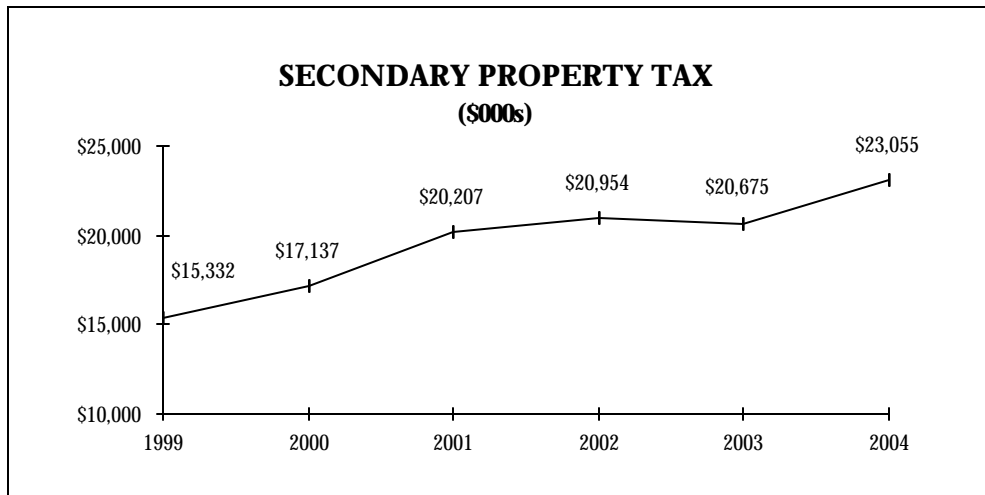
The city imposes a secondary property tax on real property located within the city limits. The secondary property tax is used solely to pay the principal and interest on general obligation bonds approved by the voters.

The secondary assessed valuation is based on the full cash value of real property. Full cash value is synonymous with the market value as determined by standard appraisal methods. There is no limitation on the annual increase to the full cash value as it applies to the computation of the secondary property tax. The Fiscal Year 2004 secondary assessed valuation is estimated to be \$2,431,984, a 7.2% increase over last year's valuation.

The city's total estimated debt service requirement on general obligation bonds for Fiscal Year 2004 is \$23,055,320. The secondary property tax rate for Fiscal Year 2004 is estimated at \$0.9480 per \$100 of assessed valuation, an increase of \$0.0367. The adopted budget for Fiscal Year 2003 was \$20,756,360. The following table shows secondary assessed valuations, levies, and rates since Fiscal Year 1999.

### SECONDARY PROPERTY TAX (\$000s)

<u>Fiscal Year</u>	<u>Secondary Assessed Valuation</u>	<u>Percent Change</u>	<u>Secondary Tax Levy</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>Rate per \$100 Assessed Valuation</u>
1999	\$ 1,875,875	3.1%	\$ 15,332	\$ (107)	(0.7%)	\$ 0.8173
2000	1,945,160	3.7%	17,137	1,805	11.8%	0.8810
2001	2,048,620	5.3%	20,207	3,070	17.9%	0.9864
2002	2,138,461	4.4%	20,954	747	3.6%	0.9799
2003 (Estimate)	2,268,733	6.1%	20,675	(279)	(1.3%)	0.9113
2004 (Estimate)	2,431,984	7.2%	23,055	(2,380)	(11.5%)	0.9480



## CITY BUSINESS PRIVILEGE (SALES) TAXES

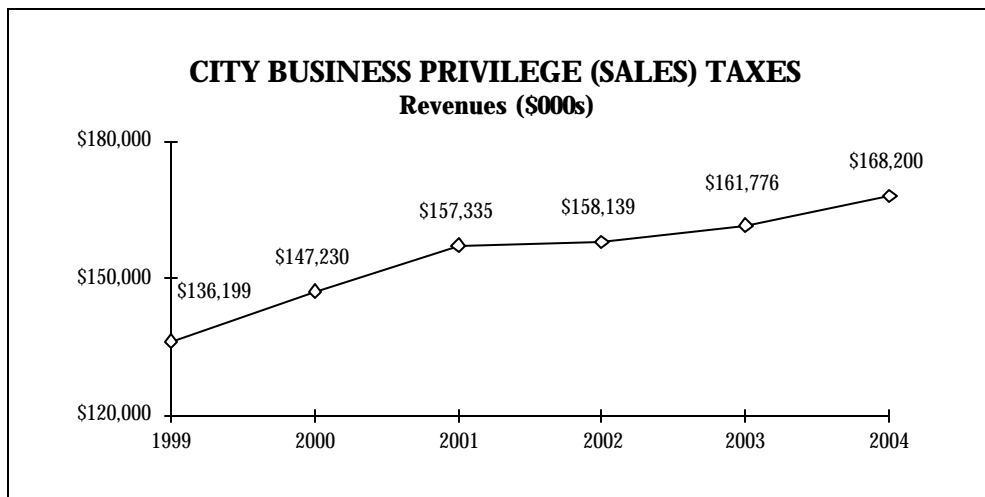
The Tucson City Charter authorizes a 2% tax on taxable business activity transacted within the city. The tax is imposed on 15 separate business activities. The charter exempts food purchased for home consumption, but allows the taxation of food consumed in restaurants or carried out. The charter further provides that as long as the city sales tax is imposed, no ad valorem tax shall be imposed on real or personal property within the city in excess of \$1.75 per \$100 of assessed valuation. The city sales tax can be used to pay any expense legally chargeable to the General Fund. Mayor and Council policy allocates a portion of the city sales tax collected to finance part of mass transit, solid waste management, public library, convention center, and public housing operations.

The city sales tax estimate of \$168,200,000 for Fiscal Year 2004 is an increase of \$6,423,600, a 4% increase over the prior year revised estimate of \$161,766,400. The adopted budget for Fiscal Year 2003 was \$166,328,100.

Although the growth in Tucson's economy slowed significantly in Fiscal Years 2002 and 2003, the rate of growth is expected to increase for Fiscal Year 2004. This will affect tax receipts on retail sales, restaurants, and bars which represent approximately 70% of the city sales tax revenues. The following table shows city business privilege tax collections since Fiscal Year 1999.

### CITY BUSINESS PRIVILEGE (SALES) TAXES (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 136,199	\$ 7,759	6.0%
2000	147,230	11,031	8.1%
2001	157,335	10,105	6.9%
2002	158,139	804	0.5%
2003 (Estimate)	161,776	3,637	2.3%
2004 (Estimate)	168,200	6,424	4.0%



## PUBLIC UTILITY TAXES AND UTILITY FRANCHISES

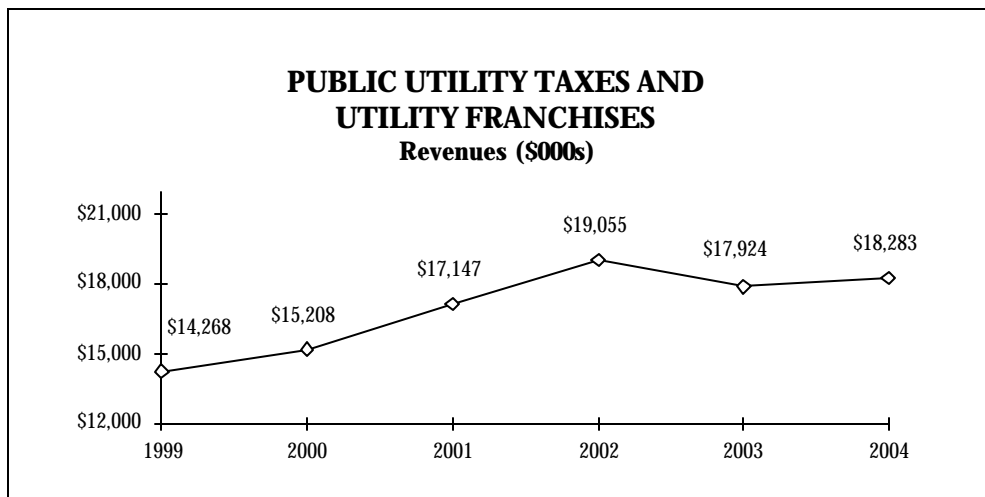
The Tucson City Charter authorizes a tax on the gross sales by public utilities to consumers within the city limits. By ordinance, the tax rate is set at 2% and is imposed in addition to the 2% city sales tax.

Under the terms of voter-approved franchises granted to Tucson Electric Power and Southwest Gas for use of public rights-of-way, the city collects 2.25% on gross sales of electricity and 2.5% on gas consumed within the city. However, franchise payments received from Tucson Electric Power and Southwest Gas are credited as payments reducing the public utility tax due from these two utilities. Monies received from public utility taxes and utility franchises can be used to pay any expense legally chargeable to the General Fund.

Estimated revenues from public utility taxes and utility franchises for Fiscal Year 2004 total \$18,282,500, a 2% increase over last year's revised estimate of \$17,924,070. The adopted budget for Fiscal Year 2003 was \$17,627,910. The following table shows the public utility tax and utility franchise collections since Fiscal Year 1999.

### PUBLIC UTILITY TAXES AND UTILITY FRANCHISES (\$000s)

<u>Fiscal Year</u>	<u>Public Utility Tax</u>	<u>Utility Franchise Receipts</u>	<u>Combined Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 5,768	\$ 8,500	\$ 14,268	\$ 1,194	9.1%
2000	6,768	8,440	15,208	940	6.6%
2001	6,539	10,608	17,147	1,939	12.7%
2002	7,853	11,202	19,055	1,908	11.1%
2003 (Estimate)	7,796	10,128	17,924	(1,131)	(5.9%)
2004 (Estimate)	7,952	10,331	18,283	359	2.0%



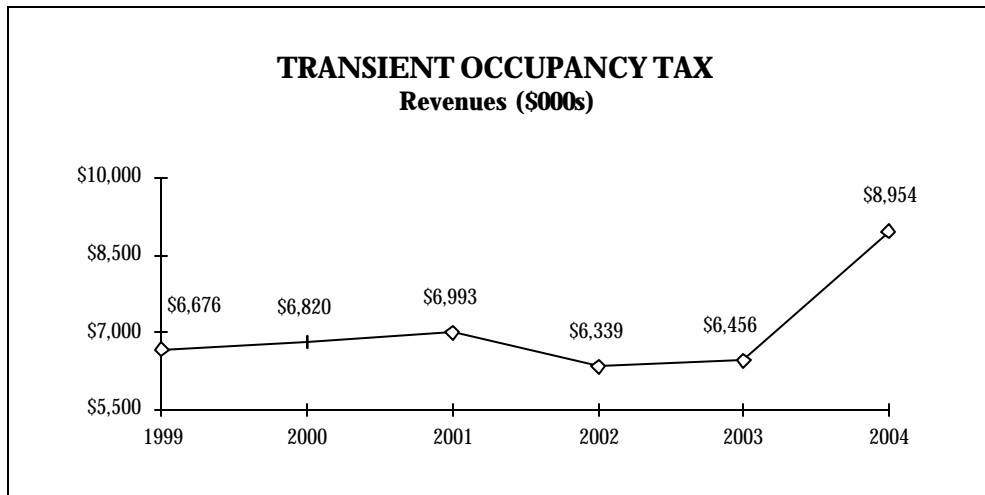
## TRANSIENT OCCUPANCY TAXES

The Tucson City Code authorizes a 4% transient occupancy tax on rooms rented for 30 days or less. The Fiscal Year 2004 budget recommendations include an increase in this tax rate from 4% to 6% with the increase dedicated to tourism as required by statute. This increase will generate an additional \$2,368,200. In Fiscal Year 1989, an additional daily hotel/motel surtax of \$1.00 per room rented was authorized.

Estimated transient occupancy taxes for Fiscal Year 2004 total \$8,953,600, a 38.7% increase over the estimate for the prior year of \$6,456,200, primarily due to the recommended tax rate increase. The Fiscal Year 2004 estimate is comprised of \$7,104,600 in revenues from the 6% tax and \$1,849,000 from the \$1.00 surtax. The adopted budget for Fiscal Year 2003 was \$7,508,800.

### TRANSIENT OCCUPANCY TAXES (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 6,676	\$ 267	4.2%
2000	6,820	144	2.2%
2001	6,993	173	2.5%
2002	6,339	(654)	(9.3%)
2003 (Estimate)	6,456	117	1.8%
2004 (Estimate)	8,954	2,498	38.7%



## LICENSES AND PERMITS

Revenues from licenses and permits include business licenses, liquor licenses, sign and street work permits, parking meter collections, utility franchises, cable television, refuse hauling permits, and telecommunications licenses and franchises.

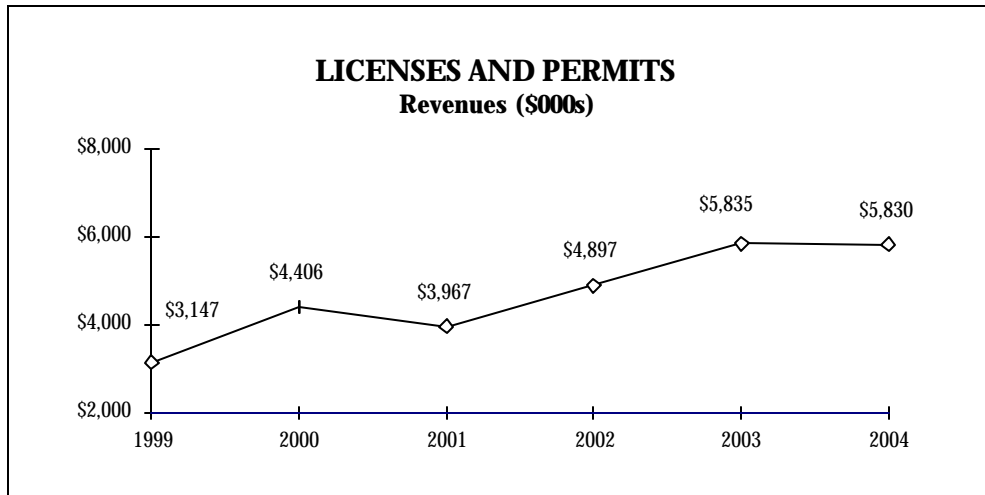
Although utility franchises are accounted for and reported within this revenue category in the city's Comprehensive Annual Financial Report, the discussion on estimated revenues from utility franchises granted to Tucson Electric Power and Southwest Gas is presented in the Public Utility Taxes and Utility Franchises section of the Revenue Descriptions in this document.

### Licenses and Permits (Continued)

Revenues from licenses and permits in Fiscal Year 2004, excluding utility franchises, is estimated to total \$5,830,260, which is less than 0.1% lower than the prior year's estimate of \$5,835,270. The adopted budget for Fiscal Year 2003 was also \$5,835,270. The following table shows collections since Fiscal Year 1999.

#### LICENSES AND PERMITS (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 3,147	\$ 556	21.5%
2000	4,406	1,259	40.0%
2001	3,967	(439)	(10.0%)
2002	4,897	930	23.4%
2003 (Estimate)	5,835	938	19.2%
2004 (Estimate)	5,830	(5)	(<0.1%)



### FINES, FORFEITURES, AND PENALTIES

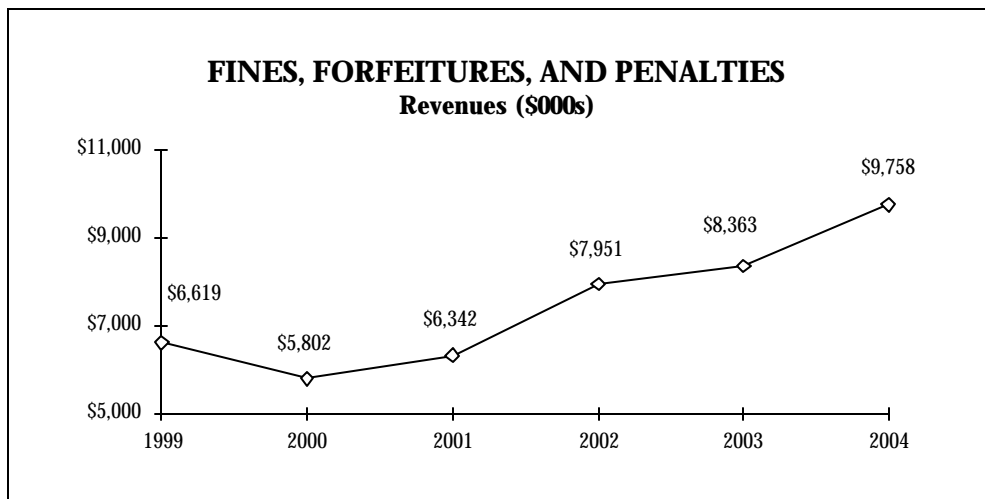
The source of this revenue is derived from fines for violations of state statutes and the Tucson City Code, including driving under the influence, criminal misdemeanors, civil traffic violations, and parking violations. Fine revenues can be used by the city to pay any expense legally chargeable to the General Fund.

The Fiscal Year 2004 estimate of \$9,758,200 is 16.7% more than the \$8,363,120 revised estimate for Fiscal Year 2003. The adopted budget for Fiscal Year 2003 was \$7,963,120.

## Fines, Forfeitures, and Penalties (Continued)

### FINES, FORFEITURES, AND PENALTIES (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 6,619	\$ (195)	(2.9%)
2000	5,802	(817)	(12.3%)
2001	6,342	540	9.3%
2002	7,951	1,609	25.4%
2003 (Estimate)	8,363	412	5.2%
2004 (Estimate)	9,758	1,395	16.7%



## VEHICLE LICENSE (AUTO LIEU) TAX

This tax is imposed by Article IX, Section 11 of the Arizona Constitution as an “in-lieu” tax for all ad valorem property taxes assessed on motor vehicles. The Arizona Constitution requires the vehicle license tax (VLT) be distributed to the state, counties, and cities. Additionally, the Arizona Constitution requires that a portion of the state’s distribution go to fund education. The vehicle license tax is based on each \$100 of a vehicle’s value. The valuation base for the first year is 60% of the manufacturer’s base retail price and the annual depreciation rate for each succeeding year is 16.25%. The statute sets specific rates for each vehicle license to be charged for each distribution recipient. The rate for incorporated cities and towns is sixty-nine cents (\$0.69) for a new vehicle and seventy-one cents (\$0.71) for a vehicle older than one year.

Current law provides that 41.37% of vehicle license taxes collected be retained by the state in the Highway User Revenue Fund (HURF). The statute establishes distributions that include 22.62% to the county treasurer to be distributed to the incorporated cities and towns of the county apportioned in proportion to the population of each as shown in the most recent United States census.

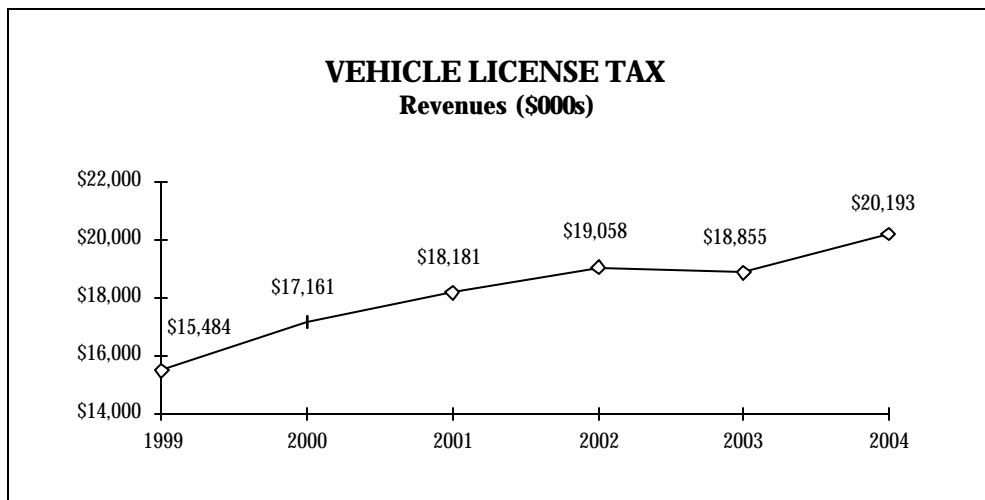
The City of Tucson’s vehicle license tax distributions for Fiscal Year 2004 is estimated to be \$20,193,000, which is an increase of 7.1% from the revised estimate of \$18,855,000 for Fiscal Year 2003. The adopted budget for Fiscal Year 2003 was \$18,530,060. Vehicle license tax revenues received by the city can be used to pay any expense legally chargeable to the General Fund.

### Vehicle License (Auto Lieu) Tax (Continued)

The following table shows total annual distributions to cities and towns within Pima County, the City of Tucson's share since Fiscal Year 1999, and estimates for Fiscal Years 2002, 2003, and 2004.

#### VEHICLE LICENSE TAX (\$000s)

<u>Fiscal Year</u>	<u>All Incorporated Cities' Share of Pima County Distribution</u>	<u>City of Tucson's Distribution Percent</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 16,627	93.1%	\$ 15,484	\$ 3,093	25.0%
2000	18,428	93.1%	17,161	1,677	10.8%
2001	19,524	93.1%	18,181	1,020	5.9%
2002	20,470	93.1%	19,058	877	4.8%
2003 (Estimate)	20,252	93.1%	18,855	(203)	(1.1%)
2004 (Estimate)	21,690	93.1%	20,193	1,338	7.1%



### STATE SALES TAX

The state sales tax is assessed on the taxable income of business activities within the State of Arizona. The state taxes approximately 20 separate business activities using various rates ranging from 3.1% to 5.6%. Shared sales taxes can be used to pay any expense legally chargeable to the General Fund.

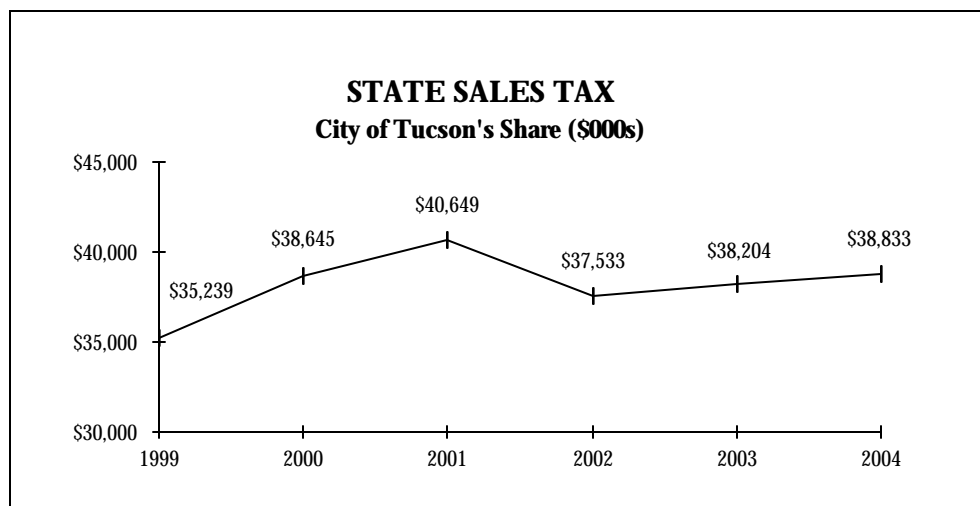
Approximately 78% of the state sales tax is retained by the state's general fund with 14% set aside for distribution to counties, and 8% to incorporated cities and towns. Each city's share is allocated in proportion to its population compared to the total population of the state.

The City of Tucson's share of state sales tax for Fiscal Year 2004 is estimated to be \$38,833,000, a 5% increase from the revised estimate of \$38,203,960 for Fiscal Year 2003. The adopted budget for Fiscal Year 2003 was \$39,483,000. The following table shows the state sales tax allocations to the City of Tucson since Fiscal Year 1999.

## State Sales Tax (Continued)

### STATE SALES TAX (\$000s)

<u>Fiscal Year</u>	<u>Total Distribution To Cities</u>	<u>Percent Change</u>	<u>City of Tucson's Share Percent</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 272,402	5.3%	12.9%	\$ 35,239	\$ 2,348	7.1%
2000	299,387	9.9%	12.9%	38,645	3,406	9.7%
2001	312,676	4.4%	13.0%	40,649	2,004	5.2%
2002	310,190	(0.8%)	12.1%	37,533	(3,116)	(7.7%)
2003 (Estimate)	317,500	2.4%	12.0%	38,204	671	1.8%
2004 (Estimate)	323,610	1.9%	12.0%	38,833	629	1.6%



## HIGHWAY USER REVENUE FUND (HURF) ALLOCATION

State of Arizona gasoline tax and highway user fees and charges are deposited in the state's Highway User Revenue Fund (HURF). Current statutes provide for distributions from HURF for Fiscal Year 2000, and annually thereafter, of \$10,000,000\* to the Arizona Department of Public Safety to fund highway patrol costs and \$1,000,000\* to the Arizona Economic Strength Fund. HURF monies remaining after these distributions are then shared with counties and cities. The current distribution formula provides that 50.5% be retained in the state highway fund, 19% be distributed to counties, 27.5% be distributed to all incorporated cities and towns, and a final 3% be distributed to cities with a population greater than 300,000.

The 27.5% share earmarked for distribution to all incorporated cities and towns is often referred to as "regular HURF," and the Arizona Constitution requires that these funds be used solely for highway and street purposes which includes payment of principal and interest on street and highway bonds. These funds are allocated to individual cities and towns using a two-tier distribution formula. One-half of the "regular HURF" is apportioned to each city or town based on the population each bears to the population of all cities and towns in the state. The remaining half is then apportioned to counties based on each county's proportion of motor vehicle fuel sales within the state and is then distributed to each city or town within each county on the basis the population each bears to the population of all cities and towns within the county.

\*There is an exemption to this amount for Fiscal Years 2002 and 2003.



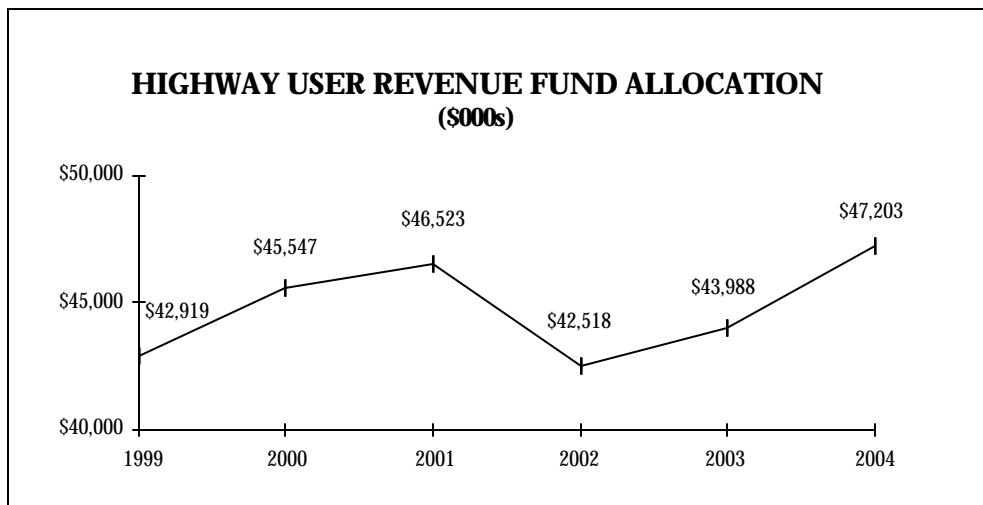
### Highway User Revenue Fund (HURF) Allocation (Continued)

The 3% allocation distributable to cities and towns with a population greater than 300,000, sometimes referred to as "restricted HURF," is also required to be used solely for highway and street purposes. However, these funds are further restricted to the acquisition of right-of-way or construction of streets or highways other than controlled-access highways. Phoenix, Tucson, and Mesa are the only cities currently sharing in this distribution, and the funds are distributed based on the 2000 decennial census.

The city's share of HURF distributions from the state is estimated to be \$47,203,130 for Fiscal Year 2004, which is a 4.8% increase from the revised estimate of \$43,987,730 for Fiscal Year 2003. The adopted budget for Fiscal Year 2003 was \$46,420,800. The following table shows the HURF allocations to the City of Tucson since Fiscal Year 1999.

#### HIGHWAY USER REVENUE FUND ALLOCATION (\$000s)

<u>Fiscal Year</u>	<u>27.5% Share</u>	<u>3% Share</u>	<u>Total</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 36,314	\$ 6,605	\$ 42,919	\$ 2,430	6.0%
2000	38,614	6,933	45,547	2,628	6.1%
2001	39,503	7,020	46,523	976	2.1%
2002	36,102	6,416	42,518	(4,005)	(8.6%)
2003 (Estimate)	37,350	6,638	43,988	1,470	3.5%
2004 (Estimate)	40,080	7,123	47,203	3,215	7.3%



## **LOCAL TRANSPORTATION ASSISTANCE FUND (LTAF)**

In November 1980, an initiative established a state lottery in Arizona. In July 1981, the state legislature established the Local Transportation Assistance Fund (LTAF) consisting of monies deposited initially from the state lottery fund to be distributed to Arizona cities and towns. Current law provides that the Arizona Legislature must appropriate whatever amount is necessary to ensure that a minimum of \$20,500,000 annually is deposited in the LTAF. Revenues from the state lottery have historically exceeded the minimum, and the state has not been required to subsidize the fund. Current law places an annual ceiling of \$23,000,000 on funds deposited from the state lottery fund into the LTAF for distribution to cities and towns. The maximum is expected to be available for distribution to cities and towns for Fiscal Years 2003 and 2004, and the city is expected to receive \$2,767,000. The adopted budget for Fiscal Year 2003 was \$2,707,000.

Tucson, having a population of more than 300,000, is required to use these LTAF monies for public transportation operating expenses and related capital purposes. Statutes provide that cities may adopt resolutions authorizing the use of up to 10% annually of the LTAF monies for cultural, educational, historical, recreational, or scientific facilities or programs, or for certain non-residential outpatient local programs or services. However, the monies used in this manner must be matched equally with non-public monies spent for the same purposes.

In recent years, the LTAF has also been used as the depository for Arizona's share of revenues from the multi-state lottery (Powerball). The statutes place a ceiling of \$18,000,000 on multi-state lottery proceeds available for distribution to the cities and towns. State lottery ticket sales started declining after the introduction of Powerball; to compensate for the loss of state general fund revenues from the state lottery, the state appropriated monies received from the multi-state lottery to the state's general fund. Statutory annual minimum appropriations to the state's general fund were enacted by the Arizona Legislature before receipts from multi-state lottery sales were available for distribution to cities and towns.

The following table shows the LTAF distribution to the City of Tucson since Fiscal Year 1999.

### **LOCAL TRANSPORTATION ASSISTANCE FUND (\$000s)**

<u>Fiscal Year</u>	<u>Tucson's Share</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 3,028	\$ (35)	(1.1%)
2000	2,511	(517)	(17.1%)
2001	2,811	300	11.9%
2002	2,763	(48)	(1.7%)
2003 (Estimate)	2,767	4	0.1%
2004 (Estimate)	2,767	-0-	0.0%

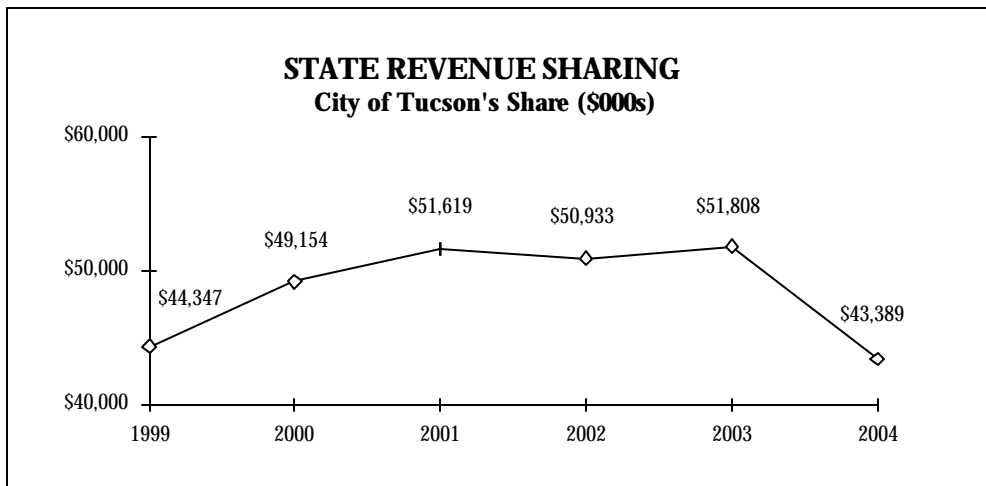
## STATE REVENUE SHARING

Incorporated cities and towns are prohibited from imposing local income taxes, but they do receive a share of net individual and corporate income taxes collected by the state which can be used to pay any expense legally chargeable to the General Fund. Distributions are actually made to cities and towns two fiscal years following the fiscal year in which the state collects the income taxes. The portion (of net income taxes collected two years earlier) currently distributable to incorporated cities and towns was set by statute at 15%.

The city's portion of State Revenue Sharing distributions is estimated to be \$43,388,700 for Fiscal Year 2004, which is a 16.3% decrease from the revised estimate of \$51,808,070 for Fiscal Year 2003. The adopted budget for Fiscal Year 2003 was \$52,388,880. The following table shows the state income tax distributions to the City of Tucson since Fiscal Year 1999.

### STATE REVENUE SHARING (\$000s)

<u>Fiscal Year</u>	<u>Total Distribution To Cities</u>	<u>Percent Change</u>	<u>Tucson's Share Percent</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
1999	\$ 340,311	16.8%	13.0%	\$ 44,347	\$ 6,443	17.0%
2000	377,711	11.0%	13.0%	49,154	4,807	10.8%
2001	396,453	5.0%	13.0%	51,619	2,465	5.0%
2002	420,934	6.2%	12.1%	50,933	(686)	(1.3%)
2003 (Estimate)	430,559	2.3%	12.0%	51,808	875	1.7%
2004 (Estimate)	361,575	16.0%	12.0%	43,389	(8,419)	(16.3%)



## IMPACT OF CAPITAL PROJECTS ON THE OPERATING BUDGET

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The completion of many capital improvements is the beginning of annual operating expenses for staffing, repairs, maintenance, and other routine operations. The cost of future operating and maintenance (O&M) for new capital projects are estimated by departments based on their budgetary experience with existing projects.

The Fiscal Year 2004 Recommended Budget includes a total of \$12.2 million in O&M costs for projects either completed in Fiscal Year 2003 or scheduled for completion during Fiscal Year 2004. The following table summarizes those additions to operating expenses.

### OPERATING COST IMPACTS FOR FISCAL YEAR 2004

Service Area/Department/Project	Type of Expense	Amount
<b>Neighborhood Services</b>		
Fire		
Fire Station 6 and other facilities	Staffing (14 FTEs) and building/equipment maintenance	\$ 999,200
Parks and Recreation		
Various parks projects	Building/equipment maintenance	143,000
<b>Environment and Development</b>		
Tucson Water		
Clearwater Renewable Resource Facility	Electricity, Central Arizona Project commodity charges, and supplies	9,979,900
Environmental Management		
Various landfill remediations and investigations	Equipment maintenance	890,000
<b>Non-Departmental</b>		
General Expense		
Midtown Multipurpose Facility	Building maintenance	170,000
<b>TOTAL</b>		<b><u>\$ 12,182,100</u></b>

TEN-YEAR ADOPTED COMPARISON  
TOTAL CITY STAFFING

DEPARTMENTS	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003 Adopted	FY 2004 Recommended
Elected and Official												
Mayor	5.50	7.00	7.00	7.00	7.50	8.00	8.00	8.00	9.50	9.50	9.50	9.50
Council	28.50	29.00	29.00	29.00	32.50	35.50	35.50	36.50	43.50	43.50	43.50	43.50
City Manager(a)	20.50	15.50 <sup>(1)</sup>	19.80 <sup>(5)</sup>	19.20	23.00	22.00	21.00	22.00	23.75	24.25 <sup>(24)</sup>	22.25	19.25
City Clerk	40.50	40.50	39.50 <sup>(5)</sup>	40.50	40.50	73.00 <sup>(9)</sup>	44.50	69.50 <sup>(9)</sup>	43.00	63.50 <sup>(9)</sup>	41.00	58.50 <sup>(9)</sup>
City Attorney	102.50	98.00	100.00	107.00	108.00	108.00	108.00	112.00	113.00	114.00	112.00	105.00
Sub-Total	197.50	190.00	195.30	202.70	211.50	246.50	217.00	248.00	232.75	254.75	228.25	235.75
Neighborhood Services												
City Court	117.80	127.80 <sup>(1)</sup>	133.80	138.80	138.80	141.30	145.30	141.80	143.80	143.80	138.30	137.30
Community Services	148.60	153.20	158.90	158.25	159.25	169.00	167.00	160.00	157.00	155.00	157.00	153.00
Fire	470.00	459.50	459.50	516.50	519.50	569.00 <sup>(10)</sup>	528.00	539.00	570.00	571.00	572.00	572.00
Library	239.25	238.75	241.75	243.75	253.00	253.00	265.50	265.50	299.50	287.25 <sup>(25)</sup>	287.75	286.75 <sup>(33)</sup>
Neighborhood Resources	5.00	5.00	5.00	5.00	5.00	7.00	7.00	11.00	11.00	11.00	21.00 <sup>(29), (30)</sup>	19.00
Parks and Recreation	453.00	508.75 <sup>(2)</sup>	580.00 <sup>(6)</sup>	577.00	596.00	631.50	685.75 <sup>(12)</sup>	720.25 <sup>(14), (15)</sup>	718.75 <sup>(20)</sup>	677.50 <sup>(26)</sup>	665.00	633.75
Tucson City Golf	103.00	102.00	104.00	103.00	103.00	103.00	103.50	96.50	163.25 <sup>(21)</sup>	169.00	153.75	153.75
Police	1,029.00	1,043.00 <sup>(3)</sup>	1,048.00	1,102.00	1,146.00 <sup>(8)</sup>	1,154.00 <sup>(11)</sup>	1,191.50 <sup>(13)</sup>	1,266.50 <sup>(16)</sup>	1,355.00 <sup>(22)</sup>	1,362.00 <sup>(27), (28)</sup>	1,356.00	1,352.50
Independent Police Auditor	-0-	-0-	-0-	-0-	-0-	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Office of the Public Defender	31.50	32.50	32.50	33.00	31.00	31.00	31.00	32.50	32.50	33.50	33.50	33.50
Sub-Total	2,597.15	2,670.50	2,763.45	2,877.30	2,951.55	3,060.80	3,126.55	3,235.05	3,452.80	3,412.05	3,386.30	3,343.55
Environmental and Development												
Development Services	64.00	62.50	64.00 <sup>(5)</sup>	64.00	64.00	66.00	66.00	72.00	100.00 <sup>(20)</sup>	101.00	111.00 <sup>(30), (31), (32)</sup>	113.00 <sup>(34)</sup>
Comprehensive Planning Task Force	46.50	46.50	46.50	45.50	46.50	46.50	48.50	49.50	45.50 <sup>(20)</sup>	47.50 <sup>(24)</sup>	29.50 <sup>(32)</sup>	38.50 <sup>(33)</sup>
Solid Waste Management	-0-	-0-	224.00 <sup>(7)</sup>	223.00	225.00	225.00	235.00	240.00	243.00	244.00	236.00	234.00
Transportation	212.00	220.50	366.50 <sup>(7)</sup>	376.50	378.50	384.00	386.50	401.50 <sup>(15), (17)</sup>	395.50 <sup>(20)</sup>	399.50	399.50	393.50 <sup>(33)</sup>
Tucson Water	579.00	577.00	577.00	584.00	588.00	589.00	588.00	588.00	588.00	590.00	590.00	589.00 <sup>(33)</sup>
Environmental Management	4.00	8.00	10.00	9.00	9.00	10.75	11.75	13.60	15.85	15.00	15.00	15.00
Historic Preservation Office	-0-	-0-	-0-	-0-	-0-	-0-	1.00	1.00	2.00	2.00	2.00	-0- <sup>(33)</sup>
Zoning Examiner	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sub-Total	907.50	916.50	1,290.00	1,304.00	1,313.00	1,323.25	1,338.75	1,367.60	1,391.85	1,401.00	1,385.00	1,385.00
Strategic Initiatives												
Tucson Convention Center	53.00	55.00	55.00	58.00	58.00	62.00	61.00	61.00	63.50	63.00	60.00	56.25
Office of Economic Development	9.33	12.00	16.00	18.00	18.10	22.10	23.75	14.00 <sup>(18)</sup>	15.50	15.50	17.50	14.50
Intergovernmental Relations	2.00	2.25	2.25	2.75	2.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tucson - Mexico Trade Office	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5.00 <sup>(18)</sup>	5.00	5.00	6.00	6.00
Sub-Total	64.33	69.25	73.25	78.75	78.85	86.10	86.75	82.00	86.00	85.50	85.50	78.75

TEN-YEAR ADOPTED COMPARISON TOTAL CITY STAFFING												
DEPARTMENTS	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003 Adopted	FY 2004 Recommended
Support Services												
Budget and Research	28.00	28.00	28.00	28.00	27.00	26.00	26.00	26.00	26.00	24.00 <sup>(24)</sup>	24.00	22.00
Finance	134.00	130.00 <sup>(4)</sup>	134.00	133.00	139.00	138.00	143.00	146.00	150.25	151.25	145.00	144.00
Human Resources	24.00	28.00 <sup>(4)</sup>	29.00 <sup>(5)</sup>	29.00	28.00	32.00 <sup>(11)</sup>	32.00	32.00	34.00	31.00 <sup>(24), (27)</sup>	29.00	27.00
Information Technology(a)	74.00	77.50	78.00	79.50	82.42	82.42	92.12	94.12	88.12	91.12	84.66 <sup>(31)</sup>	81.16
Operations	685.00	685.00	332.00 <sup>(7)</sup>	335.00	337.00	341.00	350.00	365.00 <sup>(19)</sup>	377.00	377.00	370.00	350.00
Procurement	73.00	72.00	72.00	72.00	75.00	75.00	76.00	77.00	81.00	82.00	77.00	74.00
Equal Opportunity Office	4.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	10.00	10.50	9.00	8.00
Sub-Total	1,022.00	1,028.50	681.00	685.50	697.42	703.42	728.12	749.12	766.37	766.87	738.66	706.16
Non-Departmental												
General Expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3.00 <sup>(23)</sup>	5.50 <sup>(24)</sup>	5.75	4.75
Sub-Total	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3.00	5.50	5.75	4.75
Total	4,788.48	4,874.75	5,003.00	5,148.25	5,252.32	5,420.07	5,497.17	5,681.77	5,932.77	5,925.67	5,829.46	5,753.96

## **TEN-YEAR ADOPTED COMPARISON TOTAL CITY STAFFING WITH FISCAL YEARS 2003 AND 2004**

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- (a) In Fiscal Year 2002, the offices of the City Manager were reflected in various service teams based on the functions of each office. In Fiscal Year 2003, additional changes were made to the location of the Grants Office, which moved back into City Manager, and Community Relations, which became part of Information Technology. For comparative purposes, staff are shown for all years in the new locations.
- (1) In Fiscal Year 1994, the Hearing Office was transferred from City Manager to City Court (8 positions).
- (2) In Fiscal Year 1994, the conversion of fee class instructors in the Parks and Recreation Department to employee status by agreement with the Internal Revenue Service resulted in a net increase of 25 positions. Five positions were deleted from Hi-Corbett Field operations concessions organization due to the Colorado Rockies assuming responsibility for spring training operations.
- (3) In Fiscal Year 1994, the Tucson Police Department added 10 commissioned officers for the gang unit.
- (4) In Fiscal Year 1994, Employee Benefits was transferred from the Finance Department to the Human Resources Department (3 positions).
- (5) In Fiscal Year 1995, 3 positions were transferred from City Manager to Development Services and 1 position from the City Manager to Human Resources. Additionally, 2 positions were transferred from Human Resources and 1 position from City Clerk to City Manager.
- (6) In Fiscal Year 1995, the Parks and Recreation Department added 38.25 recreation positions for youth-related programs and 33 positions for the new El Pueblo pool and increased hours at other pools.
- (7) In Fiscal Year 1994, at the direction of Mayor and Council, the Department of Solid Waste Management was created with 220 positions. These positions were transferred from the Department of Operations. In addition, the Streets Division was transferred to the Transportation Department from the Department of Operations with 139 positions.
- (8) In Fiscal Year 1997, the Tucson Police Department added 24 community service officers for the new Community Service Officer Program.
- (9) Beginning in Fiscal Year 1998, non-permanent positions for city elections are added every other year to the City Clerk's Office as follows: 29.5 in Fiscal Year 1998, 25 in Fiscal Year 2000, and 20.5 in Fiscal Years 2002 and 2004.
- (10) In Fiscal Year 1998, the Fire Department added 49.5 positions: 34 positions for annexations, 7 positions for a new paramedic unit, and 8.5 positions for a second vehicle maintenance shift and for the public safety academy.
- (11) In Fiscal Year 1998, 3 positions were transferred from the Tucson Police Department to the Human Resources Department.
- (12) In Fiscal Year 1999, the Parks and Recreation Department added 54.25 positions: 32.50 positions for the Clements Center and Pool, 3.50 positions for the Quincie Douglas Center, 14.50 maintenance workers for other new or expanded facilities and parks, and 3.75 positions for expanded programs.
- (13) In Fiscal Year 1999, at the direction of the City Manager, 31 positions were added to the Tucson Police Department to support community policing.
- (14) In Fiscal Year 2000, the Parks and Recreation Department added 27 positions for new grants.
- (15) In Fiscal Year 2000, the Parks and Recreation Department transferred 9 Highway User Revenue Fund (HURF) funded positions to the Transportation Department for median island maintenance, and Transportation transferred 1 position to Parks and Recreation for sports field lighting maintenance.
- (16) In Fiscal Year 2000, the Tucson Police Department added 50 positions for the Universal Cops Hiring Grant.
- (17) In Fiscal Year 2000, Van Tran's Americans with Disabilities Act Compliance organization was transferred to the new Transit Division, with the existing 4 positions being converted to city employees.

## **TEN-YEAR ADOPTED COMPARISON TOTAL CITY STAFFING WITH FISCAL YEARS 2003 AND 2004**

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- (18) In Fiscal Year 2000, 4 positions were transferred from Economic Development to the Tucson-México Project and 1 position was added.
- (19) In Fiscal Year 2000, the Department of Operations added 5 positions for maintenance of new facilities and 3 positions for maintenance of the growing vehicle fleet.
- (20) In Fiscal Year 2001, 17 positions were transferred to Development Services for the consolidation of Plans Review: 2 from the Parks and Recreation Department, 6 from the Comprehensive Planning Task Force, and 9 from the Transportation Department.
- (21) In Fiscal Year 2001, Tucson City Golf added 66.75 positions for the Mayor and Council approved Tucson City Golf Business Plan.
- (22) In Fiscal Year 2001, the Tucson Police Department added 56 positions for the Universal Cops Hiring Grant.
- (23) In Fiscal Year 2001, 3 grant-funded positions were added to the General Expense budget for water conservation projects at the A-7 Ranch.
- (24) In Fiscal Year 2002, 3.5 positions were transferred from the City Manager's Office: 2.5 to the Non-Departmental budget to support Rio Nuevo and 1 project manager to the Comprehensive Planning Department. Additionally, 2 positions were transferred from Budget and Research and 1 from the Human Resources Department to the City Manager's Office.
- (25) In Fiscal Year 2002, the Library eliminated 12.25 positions: 10.75 due to the elimination of Sunday library services at Woods, Mission, Miller-Golf Links, and Green Valley branches, 1.5 due to revised implementation of programs.
- (26) In Fiscal Year 2002, the Parks and Recreation Department eliminated 49.25 positions: 11 due to the completion of grants, 9 from the privatization of zoo concessions, and 29.25 from reductions in HICO/MIDCO, KIDCO, fee classes and summer aquatics programs. The department also added 8 positions: 4 for grounds maintenance, 2 for capital project management, and 2 for a new KIDCO site.
- (27) In Fiscal Year 2002, 2 positions were transferred from the Human Resources Department to the Tucson Police Department.
- (28) In Fiscal Year 2002, the Tucson Police Department added 2 grant-funded positions.
- (29) During Fiscal Year 2002 Neighborhood Resources, which was previously Citizen and Neighborhood Services, was established as a department. This reorganization resulted in a net reduction of one position including the transfer of a project manager position (reclassified to an administrator position) from the Comprehensive Planning Task Force.
- (30) The code enforcement and slum abatement and blight enforcement response staff were transferred in to Neighborhood Resources from Development Service Department.
- (31) In Fiscal Year 2002, 3 positions in Information Technology were transferred to Development Services.
- (32) As part of a citywide reorganization, Zoning Administration was formed in Development Services from staff transferred in from the Comprehensive Planning Task Force.
- (33) In Fiscal Year 2003, 9 positions were transferred to the Comprehensive Planning Task Force as part of consolidating comprehensive planning functions: Transportation 4; Historic Preservation 2; Water 1; and Annexation 2.
- (34) Two positions transferred from Transportation to Development Services as part of consolidating development review.

Note: For Fiscal Year 2004, 139.50 positions have been eliminated due to budget reductions. Please see section B, page B-53 for this and other adjustments to Fiscal Year 2004.



**FULL-TIME EQUIVALENT POSITIONS  
PERMANENT AND NON-PERMANENT  
FISCAL YEARS 2003 AND 2004**

	Adopted 2003			Recommended 2004		
	Permanent	Non-Permanent	Total	Permanent	Non-Permanent	Total
<b>ELECTED AND OFFICIAL</b>						
Mayor and Council	53.00	-0-	53.00	53.00	-0-	53.00
City Manager	22.25	-0-	22.25	19.25	-0-	19.25
City Clerk	38.50	2.50	41.00	35.50	23.00	58.50
City Attorney	112.00	-0-	112.00	105.00	-0-	105.00
Sub-Total	225.75	2.50	228.25	212.75	23.00	235.75
<b>NEIGHBORHOOD SERVICES</b>						
City Court	138.30	-0-	138.30	137.30	-0-	137.30
Community Services	157.00	-0-	157.00	153.00	-0-	153.00
Fire	572.00	-0-	572.00	572.00	-0-	572.00
Library	235.50	52.25	287.75	234.50	52.25	286.75
Neighborhood Resources	21.00	-0-	21.00	19.00	-0-	19.00
Parks and Recreation	400.50	264.50	665.00	384.00	249.75	633.75
Tucson City Golf	43.00	110.75	153.75	43.00	110.75	153.75
Police	1,350.00	6.00	1,356.00	1,346.50	6.00	1,352.50
Independent Police Auditor	2.00	-0-	2.00	2.00	-0-	2.00
Public Defender	33.50	-0-	33.50	33.50	-0-	33.50
Sub-Total	2,952.80	433.50	3,386.30	2,924.80	418.75	3,343.55
<b>ENVIRONMENTAL AND DEVELOPMENT</b>						
Development Services	110.00	1.00	111.00	112.00	1.00	113.00
Comprehensive Planning Task Force	29.50	-0-	29.50	38.50	-0-	38.50
Solid Waste Management	236.00	-0-	236.00	234.00	-0-	234.00
Transportation	398.00	1.50	399.50	392.00	1.50	393.50
Tucson Water	590.00	-0-	590.00	589.00	-0-	589.00
Environmental Management	15.00	-0-	15.00	15.00	-0-	15.00
Historic Preservation Office	2.00	-0-	2.00	-0-	-0-	-0-
Zoning Examiner	2.00	-0-	2.00	2.00	-0-	2.00
Sub-Total	1,382.50	2.50	1,385.00	1,382.50	2.50	1,385.00

**FULL-TIME EQUIVALENT POSITIONS  
PERMANENT AND NON-PERMANENT  
FISCAL YEARS 2003 AND 2004**

	Adopted 2003			Recommended 2004		
	Permanent	Non-Permanent	Total	Permanent	Non-Permanent	Total
STRATEGIC INITIATIVES						
Tucson Convention Center	46.00	14.00	60.00	43.00	13.25	56.25
Economic Development	14.00	3.50	17.50	11.00	3.50	14.50
Intergovernmental Relations	2.00	-0-	2.00	2.00	-0-	2.00
Tucson-Mexico Trade Office	6.00	-0-	6.00	6.00	-0-	6.00
Sub-Total	68.00	17.50	85.50	62.00	16.75	78.75
SUPPORT SERVICES						
Budget and Research	24.00	-0-	24.00	22.00	-0-	22.00
Finance	144.00	1.00	145.00	143.00	1.00	144.00
Human Resources	29.00	-0-	29.00	27.00	-0-	27.00
Information Technology	82.50	2.16	84.66	79.00	2.16	81.16
Operations	368.00	2.00	370.00	348.00	2.00	350.00
Procurement	77.00	-0-	77.00	74.00	-0-	74.00
Equal Opportunity Office	9.00	-0-	9.00	8.00	-0-	8.00
Sub-Total	733.50	5.16	738.66	701.00	5.16	706.16
NON-DEPARTMENTAL						
General Expense	5.75	-0-	5.75	4.75	-0-	4.75
Sub-Total	5.75	-0-	5.75	4.75	-0-	4.75
Total	5,368.30	461.16	5,829.46	5,287.80	466.16	5,753.96

**FULL-TIME EQUIVALENT POSITIONS  
GENERAL RECURRING FUNDS AND OTHER FUNDS  
FISCAL YEARS 2003 AND 2004**

	Adopted 2003			Recommended 2004		
	General Purpose	Other	Total	General Purpose	Other	Total
<b>ELECTED AND OFFICIAL</b>						
Mayor and Council	53.00	-0-	53.00	53.00	-0-	53.00
City Manager	22.25	-0-	22.25	19.25	-0-	19.25
City Clerk	41.00	-0-	41.00	58.50	-0-	58.50
City Attorney	101.00	11.00	112.00	94.00	11.00	105.00
Sub-Total	217.25	11.00	228.25	224.75	11.00	235.75
<b>NEIGHBORHOOD SERVICES</b>						
City Court	136.80	1.50	138.30	135.80	1.50	137.30
Community Services	9.79	147.21	157.00	6.00	147.00	153.00
Fire	570.00	2.00	572.00	570.00	2.00	572.00
Library	143.88	143.87	287.75	143.38	143.37	286.75
Neighborhood Resources	18.00	3.00	21.00	16.00	3.00	19.00
Parks and Recreation	623.75	41.25	665.00	600.00	33.75	633.75
Tucson City Golf	-0-	153.75	153.75	-0-	153.75	153.75
Police	1,319.50	36.50	1,356.00	1,317.50	35.00	1,352.50
Independent Police Auditor	2.00	-0-	2.00	2.00	-0-	2.00
Public Defender	33.50	-0-	33.50	33.50	-0-	33.50
Sub-Total	2,857.22	529.08	3,386.30	2,824.18	519.37	3,343.55
<b>ENVIRONMENTAL AND DEVELOPMENT</b>						
Development Services	111.00	-0-	111.00	113.00	-0-	113.00
Comprehensive Planning Task Force	29.50	-0-	29.50	38.50	-0-	38.50
Solid Waste Management	236.00	-0-	236.00	234.00	-0-	234.00
Transportation	86.00	313.50	399.50	57.50	336.00	393.50
Tucson Water	-0-	590.00	590.00	-0-	589.00	589.00
Environmental Management	15.00	-0-	15.00	15.00	-0-	15.00
Historic Preservation Office	2.00	-0-	2.00	-0-	-0-	-0-
Zoning Examiner	2.00	-0-	2.00	2.00	-0-	2.00
Sub-Total	481.50	903.50	1,385.00	460.00	925.00	1,385.00

**FULL-TIME EQUIVALENT POSITIONS  
GENERAL RECURRING FUNDS AND OTHER FUNDS  
FISCAL YEARS 2003 AND 2004**

	Adopted 2003			Recommended 2004		
	General Purpose	Other	Total	General Purpose	Other	Total
STRATEGIC INITIATIVES						
Tucson Convention Center	60.00	-0-	60.00	56.25	-0-	56.25
Economic Development	14.00	3.50	17.50	11.00	3.50	14.50
Intergovernmental Relations	2.00	-0-	2.00	2.00	-0-	2.00
Tucson-Mexico Trade Office	6.00	-0-	6.00	6.00	-0-	6.00
Sub-Total	82.00	3.50	85.50	75.25	3.50	78.75
SUPPORT SERVICES						
Budget and Research	24.00	-0-	24.00	22.00	-0-	22.00
Finance	131.00	14.00	145.00	130.00	14.00	144.00
Human Resources	29.00	-0-	29.00	27.00	-0-	27.00
Information Technology	84.66	-0-	84.66	81.16	-0-	81.16
Operations	263.00	107.00	370.00	255.00	95.00	350.00
Procurement	77.00	-0-	77.00	74.00	-0-	74.00
Equal Opportunity Office	9.00	-0-	9.00	8.00	-0-	8.00
Sub-Total	617.66	121.00	738.66	597.16	109.00	706.16
NON-DEPARTMENTAL						
General Expense	-0-	5.75	5.75	-0-	4.75	4.75
Sub-Total	-0-	5.75	5.75	-0-	4.75	4.75
Total	4,255.63	1,573.83	5,829.46	4,181.34	1,572.62	5,753.96

**Fiscal Year 2004  
City of Tucson  
Annual Salary Scale**

**Exempt Schedule**

	Minimum	Midpoint	Maximum
822	91,677	122,847	154,018
821	81,182	108,784	136,387
820	72,228	96,786	121,344
819	64,566	86,518	108,471
818	57,991	77,708	97,425
817	52,335	70,129	87,923
816	47,459	63,594	79,730
815	43,244	57,946	72,649
814	39,594	53,056	66,518
813	36,429	48,816	61,202
812	33,682	45,134	56,586
811	31,294	41,935	52,575
810	29,220	39,155	49,090

**Police  
Exempt Schedule**

	Minimum	Midpoint	Maximum
323	117,450	135,257	153,065
322	77,937	94,939	111,941
321	70,649	84,259	97,868
320	70,194	76,932	83,671

**Fiscal Year 2004  
City of Tucson  
Annual Salary Scale**

**Fire  
Exempt Schedule**

	Minimum	Midpoint	Maximum
423	117,450	135,257	153,065
422	78,418	95,525	112,632
421	71,085	84,778	98,472
420	71,719	77,953	84,186

**Legal  
Exempt Schedule**

	Minimum	Midpoint	Maximum
619	79,548	105,401	131,254
618	71,023	94,106	117,189
617	63,555	84,210	104,865
616	56,998	75,523	94,048
615	51,234	67,885	84,536
614	46,156	61,157	76,158
613	41,675	55,220	68,764
612	37,715	49,972	62,229
611	34,208	45,325	56,443
610	31,098	41,205	51,311

**Fiscal Year 2004  
City of Tucson  
Annual Salary Scale**

**Information Technology  
Exempt Schedule**

	Minimum	Midpoint	Maximum
719	77,559	102,765	127,971
718	68,485	90,743	113,000
717	60,473	80,127	99,782
716	53,399	70,754	88,108
715	47,678	63,174	78,670
714	43,051	57,042	71,034
713	39,316	52,094	64,871
712	36,320	48,124	59,928

**Golf and Ranch  
Exempt Schedule**

	Minimum	Midpoint	Maximum
515	43,244	57,947	72,649
514	39,594	53,056	66,518
505	26,133	33,386	40,638
503	22,559	28,820	35,081
502	21,182	27,060	32,938
501	20,031	25,589	31,147

Range 501 and 502 receive 50% earnings from golf lesson revenue.

Range 503 and 505 receive \$300 in-kind pay per year.

Range 514 receive 100% earnings form golf lesson revenue up to \$12,000 per year.

Range 515 receive 100% earnings form golf lesson revenue up to \$5,000 per year.

**Fiscal Year 2004  
City of Tucson  
Annual Salary Scale**

**Non-Exempt Schedule**

Range No.	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14
910	19,076	20,031	21,032	22,084	23,188	24,347	24,956	25,579	26,218	26,874	27,546	28,235	28,941	29,664
911	20,031	21,032	22,084	23,188	24,347	25,564	26,202	26,857	27,528	28,217	28,922	29,646	30,387	31,147
912	21,182	22,240	23,353	24,520	25,746	27,033	27,710	28,403	29,112	29,840	30,586	31,351	32,135	32,938
913	22,559	23,687	24,872	26,115	27,421	28,792	29,512	30,250	31,006	31,781	32,575	33,389	34,225	35,081
914	24,196	25,406	26,677	28,010	29,410	30,881	31,653	32,444	33,255	34,087	34,939	35,812	36,708	37,626
915	26,133	27,440	28,812	30,253	31,766	33,353	34,188	35,042	35,918	36,816	37,736	38,680	39,647	40,638
916	28,421	29,842	31,334	32,901	34,547	36,274	37,180	38,110	39,063	40,040	41,040	42,066	43,118	44,196
917	31,123	32,679	34,313	36,029	37,831	39,722	40,715	41,733	42,776	43,845	44,941	46,065	47,217	48,397
918	34,315	36,031	37,832	39,724	41,710	43,795	44,890	46,012	47,163	48,342	49,550	50,789	52,059	53,361
919	38,091	39,997	41,996	44,096	46,300	48,616	49,830	51,077	52,354	53,663	55,003	56,379	57,788	59,234
920	42,569	44,698	46,933	49,279	51,743	54,330	55,689	57,081	58,508	59,971	61,470	63,007	64,582	66,196



**Fiscal Year 2004  
City of Tucson  
Annual Salary Scale**

**Police  
Non-Exempt Schedule**

Range No.	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
351	31,993	33,592	35,272	37,036	38,887	40,832	42,874	45,018
302	37,225	39,086	41,040	43,092	45,248	47,510	49,885	52,380
303	39,086	41,040	43,092	45,248	47,510	49,885	52,380	54,998
304	41,040	43,092	45,248	47,510	49,885	52,380	54,998	57,748
305	43,092	45,248	47,510	49,885	52,380	54,998	57,748	60,635
306					54,998	57,748	60,635	63,667
307					57,748	60,635	63,667	66,851

**Fire  
Non-Exempt Schedule**

Range No.	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
401	34,788	36,512	38,368	40,283	42,299	43,365	44,416	45,527	46,623	47,807
402	36,513	38,368	40,282	42,299	44,416	45,527	46,623	47,807	48,961	50,174
403	36,875	38,599	40,456	42,370	44,385	45,453	46,504	47,614	48,710	49,894
404						47,807	48,961	50,174	51,402	52,687
405						49,894	51,048	52,261	53,489	54,774
406						55,332	56,690	58,093	59,509	60,985
407						57,419	58,778	60,180	61,597	63,072
408						61,971	63,493	65,064	66,651	68,304

**Fiscal Year 2004  
City of Tucson  
Classified Annual Salary Scale**

**Hourly (Seasonal or Intermittent) Schedule  
Non-Exempt**

Code	Class Title	Hourly Rate		
1001	City Youth Worker	\$ 5.88		
0201	Election Technician	10.14	-	\$13.93
0202	Senior Election Technician	11.14	-	15.30
0203	Election Specialist	16.25	-	22.33
1403	General Maintenance Trainee/Worker	8.35	-	9.66
2256	Camera Operator	11.42	-	17.14
3005	Concession Worker	5.74	-	7.09
3021	Short Order Cook	7.73	-	10.00
3201	Golf Host	9.89		
3302	Lifeguard	8.12		
3303	Water Safety Instructor/Senior Lifeguard	8.57		
3304	Seasonal Swimming Pool Supervisor	9.23		
3306	Seasonal Aquatics Program Supervisor	10.56		
3311	Seasonal Recreation Worker	7.03		
3313	Seasonal Senior Recreation Worker	7.84		
3316	Seasonal Class Instructor	7.47	-	17.27
3323	Seasonal Program Coordinator	9.92		
3401	Seasonal Center Attendant	6.23		
7012	Library Program Instructor	13.28	-	17.80

# Section F

## *Capital Budget Summary*

TRANSPORTATION



DOWNTOWN



GROWTH



GOOD  
GOVERNMENT

ECONOMIC DEVELOPMENT



NEIGHBORHOODS



## CAPITAL BUDGET SUMMARY

Capital improvement projects are assigned to city departments to ensure proper project management. The following two tables summarize the Fiscal Year 2004 capital budget by service area and by funding type. For a breakout by individual departments and funding sources, see Tables I and II on pages F-4 and F-5.

Fiscal Year 2004 Capital Budget Summary of Expenditures (\$000s)			
	Carryforward	New Funding	Total
Neighborhood Services	\$ 27,067.4	\$ 33,998.9	\$ 61,066.3
Environment and Development	44,030.7	130,939.9	174,970.6
Support Services	5,409.4	3,264.4	8,673.8
Non-Departmental	10,892.9	2,957.4	13,850.3
<b>Total</b>	<b>\$ 87,400.4</b>	<b>\$ 171,160.6</b>	<b>\$ 258,561.0</b>

Fiscal Year 2004 Capital Budget Summary of Funding Sources (\$000s)			
	Carryforward	New Funding	Total
General Purpose Funds	\$ 1,566.2	\$ 3,545.0	\$ 5,111.2
Grants and Contributions	27,604.8	65,932.4	93,537.2
City Bond Funds	28,830.5	45,065.8	73,896.3
Enterprise Funds	6,243.9	46,124.0	52,367.9
Other Local Funds	22,626.0	9,884.4	32,510.4
Non-City Funds	529.0	609.0	1,138.0
<b>Total</b>	<b>\$ 87,400.4</b>	<b>\$ 171,160.6</b>	<b>\$ 258,561.0</b>

## DEPARTMENT PROGRAMS

The following section summarizes the Fiscal Year 2004 department programs within each service area. Project listings for each department begin on page F-8.

### Neighborhood Services

Projects in the Neighborhood Services category include those managed by Community Services, Fire, Library, Neighborhood Resources, Parks and Recreation, Tucson City Golf, and Police.

**Community Services.** Three projects, totaling \$2.3 million, are funded in Community Services' capital budget: South Park HOPE VI - Acquisition, Robert F. Kennedy Homes Revitalization, and completion of the Pascua Neighborhood Center Senior/Youth Building.

**Fire Department.** Fire's \$13.7 million budget includes the following: work on three fire stations (completion of Station 6, construction of Station 20, and design of Station 21), improvements to the Aircraft Rescue and Firefighting Facility and various other support facilities, and purchase of upgraded mobile data terminals for fire vehicles.

**Library.** Four projects will be completed with the \$2.5 million budget: George Miller-Golf Links Library Expansion, Main Library Plaza Improvements, Midtown Library and Learning Center, and Quincie Douglas Library.

**Neighborhood Resources.** The Back to Basics project continues with \$4.5 million. No new funding is recommended for future projects.

**Parks and Recreation.** Park's capital budget of \$31.1 million contains 33 park improvement projects, ranging from the construction of new facilities to the replacement of playground equipment. The five largest projects for Fiscal Year 2004 are the Adaptive Recreation Center, Lincoln Park/William Clements Center Expansion, Quincie Douglas Center Pool Facility, Reid Park Renovation, and El Pueblo Center Expansion.

**Tucson City Golf.** One project, Fred Enke Golf Course Improvements, will be completed for the \$0.3 million budgeted.

**Police.** Two projects, totaling \$6.7 million, are included in Police's capital budget: Land acquisition and facilities improvements and initial work on a new police substation.

## **Environment and Development**

The Environment and Development category contains projects managed by the following departments and office: Solid Waste Management, Transportation, Tucson Water, and Environmental Management.

**Solid Waste Management.** The department's budget of \$11.7 million provides funding for nine projects. Four of those projects fund closure and monitoring of closed landfills, principally Mullins Landfill. The other five projects are at Los Reales Landfill, the city's only operating disposal facility.

**Transportation:** This department's capital budget totals \$102.6 million in five program areas: Streets, Drainage, Street Lighting, Traffic Signals, and Public Transit. The two largest programs are Streets at \$42.4 million and Public Transit at \$34.9 million. The five largest Street project budgets are for the 4<sup>th</sup> Avenue Underpass, road resurfacing and rehabilitation, the Stone/Speedway gateway, intersection improvements, and 6<sup>th</sup> Avenue Improvement. The five largest Public Transit project budgets are for the Downtown Intermodal Center, replacement buses, the new Sun Tran Bus Storage and Maintenance Facility, the Transit alternatives analysis, and improvements to Transit Headquarters.

**Tucson Water.** Tucson Water's budget totals \$52 million: \$40.7 million for the Potable Water System and \$11.3 million for the Reclaimed Water System. The five largest Potable Water System project budgets are for the Old Nogales Highway Transmission Main, main replacements during road improvement projects, Clearwater Renewable Resource Facility, Hayden-Udall Plant Rehabilitation, and control panel replacements. The five largest Reclaimed Water System project budgets are for reclaimed transmission mains in 18<sup>th</sup> Street/10<sup>th</sup> Avenue, Campbell/Drexel, and Golf Links/Craycroft; chlorine system improvements; and construction of a reclaimed well and recovery pipeline along the Santa Cruz River.

**Environmental Management.** Ten projects totaling \$8.7 million are included in the Environmental Management capital budget for investigations and remediations at landfill sites. The three largest project budgets are for remediations at the Broadway-Pantano site, the Price Service Center, and the Tumamoc Landfill Soil/Groundwater Assessment.

## **Support Services**

The Support Services category contains projects managed by the Department of Operations.

**Operations.** Two projects are funded in Operation's \$8.7 million capital budget: initial work on the Emergency Communications System and Facility and completion of Americans with Disabilities Act (ADA) modifications at Parks and Recreation's facilities.

## **Non-Departmental**

The Non-Departmental category contains projects budgeted as part of General Expense, because they aren't associated with a specific department.

**General Expense.** This budget of \$13.9 million provides for two projects: completion of the Midtown Multipurpose Facility and acquisition of the Starr Pass Parking Garage, which is part of an annexation agreement.

## **ATTACHED TABLES**

- Table I** Capital Budget Summary by Department
- Table II** Capital Budget Summary by Funding Source
- Table III** Capital Budget Summary of Operating Budget Impacts

**TABLE I**  
**CAPITAL BUDGET**  
**SUMMARY BY DEPARTMENT**

Service Area/Department	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
<b>Neighborhood Services</b>			
Community Services	\$ 23,200	\$ 2,266,900	\$ 2,290,100
Fire	4,258,000	9,438,300	13,696,300
Library	2,464,000	-0-	2,464,000
Neighborhood Resources	-0-	4,480,000	4,480,000
Parks and Recreation	19,012,700	12,043,700	31,056,400
Tucson City Golf	338,900	-0-	338,900
Police	970,600	5,770,000	6,740,600
Sub-Total	27,067,400	33,998,900	61,066,300
<b>Environment and Development</b>			
Solid Waste Management	8,723,300	2,957,000	11,680,300
Transportation	25,495,500	77,055,000	102,550,500
Tucson Water	5,905,000	46,124,000	52,029,000
Environmental Management	3,906,900	4,803,900	8,710,800
Sub-Total	44,030,700	130,939,900	174,970,600
<b>Support Services</b>			
Operations	5,409,400	3,264,400	8,673,800
Sub-Total	5,409,400	3,264,400	8,673,800
<b>Non-Departmental</b>			
General Expense	10,892,900	2,957,400	13,850,300
Sub-Total	10,892,900	2,957,400	13,850,300
<b>Total</b>	<b>\$ 87,400,400</b>	<b>\$ 171,160,600</b>	<b>\$ 258,561,000</b>

**TABLE II**  
**CAPITAL BUDGET**  
**SUMMARY BY FUNDING SOURCE**

Fund Category/Fund	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
<b>General Purpose Funds</b>			
General Fund	\$ 636,800	\$ 2,224,400	\$ 2,861,200
Mass Transit Fund: General Fund Transfer	929,400	1,320,600	2,250,000
Sub- Total	1,566,200	3,545,000	5,111,200
<b>Grants and Contributions</b>			
Capital Agreement Fund	1,934,000	4,848,200	6,782,200
Capital Agreement Fund: ADOT	-0-	500,000	500,000
Capital Agreement Fund: PAG	891,900	5,812,000	6,703,900
Capital Agreement Fund: Pima County Bonds	5,840,300	3,296,200	9,136,500
Capital Agreement Fund: Pima County Contribution	206,000	43,700	249,700
Community Development Block Grant Fund	23,200	1,020,000	1,043,200
Comprehensive Housing Grants	-0-	21,400	21,400
Federal Highway Administration Grants	-0-	22,978,000	22,978,000
HOPE VI Grants	-0-	2,245,500	2,245,500
Highway User Revenue Fund	3,589,000	3,539,000	7,128,000
Mass Transit Fund: Federal Grants	13,545,600	18,025,800	31,571,400
Miscellaneous Federal Grants	1,574,800	2,457,600	4,032,400
Miscellaneous Non-Federal Grants	-0-	1,145,000	1,145,000
Sub- Total	27,604,800	65,932,400	93,537,200
<b>City Bond Funds</b>			
1984 General Obligation Bond Funds	30,400	-0-	30,400
1994 General Obligation Bond Funds	1,336,500	171,800	1,508,300
1994 General Obligation Bond Funds - Interest	649,900	0	649,900
1994 Street and Highway Revenue Bond Funds	192,700	-0-	192,700
2000 General Obligation Bond Funds	24,047,000	36,471,500	60,518,500
2000 Street and Highway Revenue Bond Funds	2,574,000	8,422,500	10,996,500
Sub- Total	28,830,500	45,065,800	73,896,300
<b>Enterprise Funds</b>			
2000 Water Revenue Bond Funds	5,905,000	25,301,000	31,206,000
Central Arizona Project Reserve Fund	-0-	10,000	10,000
Golf Course Fund: Certificates of Participation	338,900	-0-	338,900
Tucson Water Revenue and Operations Fund	-0-	20,813,000	20,813,000
Sub- Total	6,243,900	46,124,000	52,367,900



**TABLE II**  
**CAPITAL BUDGET**  
**SUMMARY BY FUNDING SOURCE**

Fund Category/Fund	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
<b>Other Local Funds</b>			
General Fund: Certificates of Participation	\$ 5,786,700	\$ 2,957,400	\$ 8,744,100
General Fund: Debt Financing	4,772,600	3,140,000	7,912,600
General Fund: Mandate Reserves	838,000	1,310,000	2,148,000
General Fund: Restricted Trust Reserves	6,650,000	-0-	6,650,000
Solid Waste Management Fund: Mandate Reserves	4,578,700	2,477,000	7,055,700
Sub- Total	22,626,000	9,884,400	32,510,400
<b>Non-City Funds</b>			
Special Assessments Construction Fund	529,000	609,000	1,138,000
Sub- Total	529,000	609,000	1,138,000
<b>Total</b>	<b>\$ 87,400,400</b>	<b>\$ 171,160,600</b>	<b>\$ 258,561,000</b>

**TABLE III**  
**CAPITAL BUDGET**  
**SUMMARY OF OPERATING BUDGET IMPACTS**

<b>Service Area/Department</b>	<b>FY 2004</b>	<b>Projected FY 2005</b>
<b>Neighborhood Services</b>		
Fire	\$ 999,200	\$ 4,830,770
Library	-0-	1,205,000
Parks and Recreation	143,000	3,053,500
Police	-0-	-0-
Sub-Total	1,142,200	9,089,270
<b>Environment and Development</b>		
Transportation	-0-	1,491,000
Tucson Water	9,979,900	10,471,100
Environmental Management	890,000	1,140,000
Sub-Total	10,869,900	13,102,100
<b>Non-Departmental</b>		
General Expense	170,000	351,000
Sub-Total	170,000	351,000
<b>Total</b>	<b>\$ 12,182,100</b>	<b>\$ 22,542,370</b>
<b>Source of Funds Summary</b>		
<b>General Purpose Funds</b>		
General Fund	\$ 2,172,200	\$ 9,273,270
Library Fund: General Fund Transfer	-0-	602,500
Mass Transit Fund: General Fund Transfer	-0-	1,434,100
Sub-Total	2,172,200	11,309,870
<b>Grants and Contributions</b>		
Highway User Revenue Fund	-0-	56,900
Library Fund: Pima County Contribution	-0-	602,500
Sub-Total	-0-	659,400
<b>Enterprise Funds</b>		
Tucson Water Revenue and Operations Fund	9,979,900	10,471,100
Sub-Total	9,979,900	10,471,100
<b>Other Local Funds</b>		
Public Safety Academy Fund: Other Agency Fees	30,000	102,000
Sub-Total	30,000	102,000
<b>Total</b>	<b>\$ 12,182,100</b>	<b>\$ 22,542,370</b>

Community Services			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Pascua Neighborhood Center Senior/Youth Building	\$ 23,200	\$ -0-	\$ 23,200
Robert F. Kennedy Homes Revitalization	-0-	92,400	92,400
South Park HOPE VI - Acquisition	-0-	2,174,500	2,174,500
<b>Total</b>	<b>\$ 23,200</b>	<b>\$ 2,266,900</b>	<b>\$ 2,290,100</b>
<b>Source of Funds Summary</b>			
Community Development Block Grant Fund	\$ 23,200	\$ -0-	\$ 23,200
Comprehensive Housing Grants	-0-	21,400	21,400
HOPE VI Grants	-0-	2,245,500	2,245,500
<b>Total</b>	<b>\$ 23,200</b>	<b>\$ 2,266,900</b>	<b>\$ 2,290,100</b>

<b>Fire</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
Aircraft Rescue and Firefighting Facility	\$ 1,823,200	\$ 2,683,600	\$ 4,506,800
Fire Station 6	693,800	-0-	693,800
Mobile Data Terminal Upgrades	850,000	-0-	850,000
New Fire Stations - Annexations and Infill	-0-	5,589,700	5,589,700
Support Facility Improvements	891,000	1,165,000	2,056,000
<b>Total</b>	<b>\$ 4,258,000</b>	<b>\$ 9,438,300</b>	<b>\$ 13,696,300</b>
<b>Source of Funds Summary</b>			
1984 General Obligation Bond Funds	\$ 30,400	\$ -0-	\$ 30,400
1994 General Obligation Bond Funds	218,000	-0-	218,000
2000 General Obligation Bond Funds	891,000	6,754,700	7,645,700
General Fund: Certificates of Participation	1,543,800	-0-	1,543,800
Miscellaneous Federal Grants	1,574,800	2,457,600	4,032,400
Miscellaneous Non-Federal Grants	-0-	226,000	226,000
<b>Total</b>	<b>\$ 4,258,000</b>	<b>\$ 9,438,300</b>	<b>\$ 13,696,300</b>

Library			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
George Miller-Golf Links Library Expansion	\$ 820,000	\$ -0-	\$ 820,000
Main Library Plaza Improvements	600,000	-0-	600,000
Midtown Library and Learning Center	400,000	-0-	400,000
Quincie Douglas Library	644,000	-0-	644,000
<b>Total</b>	<b>\$ 2,464,000</b>	<b>\$ -0-</b>	<b>\$ 2,464,000</b>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds - Interest	\$ 600,000	\$ -0-	\$ 600,000
2000 General Obligation Bond Funds	1,864,000	-0-	1,864,000
<b>Total</b>	<b>\$ 2,464,000</b>	<b>\$ -0-</b>	<b>\$ 2,464,000</b>

<b>Parks and Recreation</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
Adaptive Recreation Center	\$ 3,355,700	\$ 1,064,000	\$ 4,419,700
Case Natural Resource Park Expansion	170,100	-0-	170,100
Catalina High School Track and Field Lighting	267,900	-0-	267,900
Christopher Columbus Park	812,900	985,000	1,797,900
Desert Vista/Southwest District Park	-0-	500,000	500,000
Eastside Senior Center Recreation Facility	844,600	230,000	1,074,600
El Pueblo Center Expansion	1,343,200	609,000	1,952,200
Freedom Park Center	1,030,000	235,000	1,265,000
General Instruments Site Improvements	200,000	-0-	200,000
Golf Links Sports Center Parking Improvements	-0-	210,000	210,000
Greenway and Natural Resource Area Acquisition	198,100	335,500	533,600
Himmel Park Irrigation Replacement	20,000	153,000	173,000
Jacobs Park Pool Replacement	583,300	997,000	1,580,300
Lincoln Park/William Clements Center Expansion	1,731,200	2,373,000	4,104,200
Mansfield Park Irrigation Replacement	195,000	-0-	195,000
Mansfield Park Upgrade	174,400	75,000	249,400
Miramonte Natural Resource Park	55,000	-0-	55,000
Miscellaneous Parks Development/Renovations	37,700	235,000	272,700
New Comfort Stations	177,000	219,000	396,000
North Central Natural Resource Park	132,500	191,000	323,500
Northwest Neighborhood Center	1,324,600	500,000	1,824,600
Oury and Ormsby Centers	50,000	-0-	50,000
Playground Equipment Replacement	30,000	60,000	90,000
Quincie Douglas Center Pool Facility	2,638,800	138,000	2,776,800
Reid Park Renovation	1,040,000	1,000,000	2,040,000
Reuse of Landfill Areas	-0-	207,000	207,000
Rillito Park at Columbus Boulevard District Park	322,500	-0-	322,500
Rita Ranch Park Expansion	312,900	462,000	774,900
Rodeo Grounds Improvements	75,000	240,000	315,000
Tucson Diversion Channel Soccer Field	62,100	425,200	487,300
Udall Park Facility Improvements	360,000	-0-	360,000
Udall Park Play Field Improvements	262,100	-0-	262,100
Udall Park and Center Expansion	400,000	600,000	1,000,000
<b>Total</b>	<b>\$ 19,012,700</b>	<b>\$ 12,043,700</b>	<b>\$ 31,056,400</b>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds - Interest	\$ 11,800	\$ -0-	\$ 11,800
2000 General Obligation Bond Funds	12,160,600	7,756,500	19,917,100
Capital Agreement Fund	1,000,000	800,000	1,800,000
Capital Agreement Fund: Pima County Bonds	5,840,300	3,296,200	9,136,500
Miscellaneous Non-Federal Grants	-0-	191,000	191,000
<b>Total</b>	<b>\$ 19,012,700</b>	<b>\$ 12,043,700</b>	<b>\$ 31,056,400</b>

Tucson City Golf			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Fred Enke Golf Course Improvements	\$ 338,900	\$ -0-	\$ 338,900
<b>Total</b>	<b>\$ 338,900</b>	<b>\$ -0-</b>	<b>\$ 338,900</b>
<b>Source of Funds Summary</b>			
Golf Course Fund: Certificates of Participation	\$ 338,900	\$ -0-	\$ 338,900
<b>Total</b>	<b>\$ 338,900</b>	<b>\$ -0-</b>	<b>\$ 338,900</b>

Police			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Land Acquisition and Facilities Improvement	\$ 283,700	\$ -0-	\$ 283,700
Police Substation	686,900	5,770,000	6,456,900
<b>Total</b>	<b>\$ 970,600</b>	<b>\$ 5,770,000</b>	<b>\$ 6,740,600</b>
<b>Source of Funds Summary</b>			
2000 General Obligation Bond Funds	\$ 970,600	\$ 5,770,000	\$ 6,740,600
<b>Total</b>	<b>\$ 970,600</b>	<b>\$ 5,770,000</b>	<b>\$ 6,740,600</b>



Neighborhood Resources			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Back to Basics	\$ -0-	\$ 4,480,000	\$ 4,480,000
<b>Total</b>	<b>\$ -0-</b>	<b>\$ 4,480,000</b>	<b>\$ 4,480,000</b>
<b>Source of Funds Summary</b>			
General Fund	\$ -0-	\$ 2,100,000	\$ 2,100,000
Community Development Block Grant Fund	-0-	1,020,000	1,020,000
Highway User Revenue Fund	-0-	1,360,000	1,360,000
<b>Total</b>	<b>\$ -0-</b>	<b>\$ 4,480,000</b>	<b>\$ 4,480,000</b>

## Solid Waste Management

Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Closed Landfill Gas Mitigation	\$ 103,800	\$ -0-	\$ 103,800
Los Reales Drainage Improvements	250,000	-0-	250,000
Los Reales Facilities	-0-	120,000	120,000
Los Reales Future Cells	2,300,000	150,000	2,450,000
Los Reales Intermediate Closure	70,000	210,000	280,000
Los Reales Westside Closure	510,000	340,000	850,000
Mullins Gas Mitigation	440,000	618,000	1,058,000
Mullins Landfill Closure	5,049,500	969,000	6,018,500
Mullins Landfill Stormwater Controls	-0-	550,000	550,000
<b>Total</b>	<b>\$ 8,723,300</b>	<b>\$ 2,957,000</b>	<b>\$ 11,680,300</b>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds	\$ 366,600	\$ -0-	\$ 366,600
1994 General Obligation Bond Funds - Interest	38,100	-0-	38,100
2000 General Obligation Bonds Funds	3,739,900	480,000	4,219,900
Solid Waste Management Fund: Mandate Reserves	4,578,700	2,477,000	7,055,700
<b>Total</b>	<b>\$ 8,723,300</b>	<b>\$ 2,957,000</b>	<b>\$ 11,680,300</b>

<b>Transportation</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
<u>Transportation - Streets</u>			
Alternate Modes Improvements	\$ -0-	\$ 458,000	\$ 458,000
Anklam Road Traffic Safety Improvements	250,000	450,000	700,000
Barraza-Aviation Parkway: 4th Avenue Underpass	-0-	6,000,000	6,000,000
Barraza-Aviation Parkway: 6th Avenue Improvement	209,900	1,800,000	2,009,900
Barraza-Aviation Parkway: Downtown Segment	300,000	-0-	300,000
Barraza-Aviation Parkway: Neighborhood Traffic	-0-	50,000	50,000
Barraza-Aviation Parkway: St. Mary's/6th Street	-0-	800,000	800,000
Barrio Anita Enhancements	15,000	471,000	486,000
Broadway Boulevard Right-Turn and Transit Lane	70,000	1,050,000	1,120,000
Bus-Related Roadway Improvements	400,000	1,000,000	1,400,000
Campbell Avenue: Grant Road to Elm	-0-	1,000,000	1,000,000
Downtown Pedestrian Improvements	200,000	400,000	600,000
Golf Links and Craycroft Intersection Improvements	-0-	1,500,000	1,500,000
Golf Links and Kolb Intersection Improvements	-0-	1,075,000	1,075,000
Harrison Road: Speedway to Old Spanish Trail	-0-	1,500,000	1,500,000
Highland Avenue Bike and Pedestrian Improvements	200,000	940,000	1,140,000
Intersection Operational Improvements	-0-	2,133,500	2,133,500
Irvington Road: Kolb Road to Camino Seco	-0-	142,000	142,000
Miscellaneous Developer-Funded Improvements	-0-	600,000	600,000
Miscellaneous On-Call Street Improvements	-0-	409,000	409,000
Old Nogales Highway Pedestrian Overpass	150,000	-0-	150,000
Park Avenue/Euclid Avenue Multiple Use Bridge	100,000	1,000,000	1,100,000
Pedestrian Improvements	450,000	666,000	1,116,000
Road Resurfacing, Restoration, & Rehabilitation	500,000	5,285,000	5,785,000
South 10th Avenue Bike & Pedestrian Improvements	-0-	1,237,000	1,237,000
South 10th Avenue Revitalization	-0-	484,000	484,000
South 4th Avenue Streetscape Enhancement	-0-	509,000	509,000
South Yard Drill Track Improvements	100,000	131,000	231,000
Speedway and Stone Avenue Gateway Improvements	-0-	4,000,000	4,000,000
Starr Pass Boulevard Improvements	2,000,000	-0-	2,000,000
Stone and Limberlost Intersection Improvements	-0-	260,000	260,000
Stone Avenue: Ft. Lowell Road to Wetmore Road	-0-	250,000	250,000
Stone Avenue: Speedway to Ft. Lowell Road	280,000	1,000,000	1,280,000
Transportation Enhancements	-0-	550,000	550,000
Sub-Total	5,224,900	37,150,500	42,375,400
<u>Transportation - Drainage</u>			
Alamo Wash Drainage Improvements	-0-	300,000	300,000
Arroyo Chico Drainage Improvements	200,000	825,000	1,025,000
Arroyo Chico Greenbelt Extension	162,000	-0-	162,000

<b>Transportation</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
Citation Wash Drainage Improvements	\$ 65,900	\$ -0-	\$ 65,900
Columbus Wash Drainage Relief, Phase II	-0-	5,400,000	5,400,000
El Vado Wash Drainage Improvements	-0-	1,492,300	1,492,300
Jefferson Park Drainage Improvements	-0-	1,689,000	1,689,000
Miscellaneous Drainage Improvement Program	-0-	1,214,700	1,214,700
Pantano Wash: Broadway Bank Improvement	-0-	250,000	250,000
Park Avenue Detention Basin	150,000	-0-	150,000
Rillito Creek Habitat Restoration	-0-	695,500	695,500
Santa Cruz River Park Extension	-0-	1,232,000	1,232,000
Stormwater Quality Program	-0-	360,000	360,000
Wyoming Wash Drainage Improvements	-0-	200,000	200,000
Sub-Total	577,900	13,658,500	14,236,400
<b>Transportation - Street Lighting</b>			
12th Avenue: Veterans Boulevard to Ajo Way	63,000	-0-	63,000
1st Avenue: Prince Road to River Road	120,000	280,000	400,000
Benson Highway: 44th Street to Park Avenue	32,000	-0-	32,000
Campbell Avenue: Roger Road to River Road	220,000	-0-	220,000
Country Club Road: Broadway to 22nd Street	300,000	250,000	550,000
Euclid Avenue Lighting: Broadway to Speedway	300,000	600,000	900,000
Life Extensions and Electrical Upgrades	-0-	341,000	341,000
Neighborhood District Lighting Improvements	-0-	496,000	496,000
Nogales Highway: Drexel to Irvington	320,000	-0-	320,000
Pantano Road: Speedway to 22nd Street	200,000	442,600	642,600
Park Avenue Lighting: Valencia to Irvington	500,000	-0-	500,000
Sub-Total	2,055,000	2,409,600	4,464,600
<b>Transportation - Traffic Signals</b>			
Americans with Disabilities Act Improvements	50,000	75,000	125,000
Campbell at Adelaide Pedestrian Crossing	-0-	70,000	70,000
Computerized Traffic System Improvements	192,700	135,000	327,700
Emergency Preemption System Expansion	-0-	18,000	18,000
Freeway Management System	-0-	445,000	445,000
Glenn: Oracle to Craycroft Bike Detection	-0-	20,000	20,000
Greasewood and Ironwood Hills Traffic Signal	-0-	200,000	200,000
Houghton and Escalante Traffic Signal	-0-	212,000	212,000
Intelligent Transportation System Improvements	161,800	175,000	336,800
Intelligent Transportation System: ER Link	-0-	500,000	500,000
Living Transportation Laboratory	70,000	8,000	78,000
Machine Vision Video Detection System Upgrades	255,000	948,000	1,203,000
Midvale and Irvington Traffic Signal	-0-	150,000	150,000

<b>Transportation</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
Miscellaneous Traffic Improvements	\$ 89,000	\$ 21,000	\$ 110,000
Rita Road and Nexis Traffic Signal	-0-	220,000	220,000
Roger Road and Fairview Avenue Traffic Signal	370,100	-0-	370,100
School Flasher Construction	175,000	230,000	405,000
School Flashers: Grande at Fresno	-0-	64,000	64,000
Tanque Verde/Pima and Wilmot Intersection	300,000	-0-	300,000
Traffic Flasher Construction	40,000	80,000	120,000
Traffic Signal and Control Equipment Upgrades	-0-	155,000	155,000
Traffic Signal Construction	-0-	68,000	68,000
Traffic Signal Conversions	250,000	501,000	751,000
Traffic Signal Upgrades	-0-	164,000	164,000
Turn Signal Modifications and Geometrics	130,100	21,000	151,100
Sub-Total	2,083,700	4,480,000	6,563,700
<b>Transportation - Public Transit</b>			
ADA Pedestrian Access Improvements	50,000	50,000	100,000
Automated Vehicle Location System Kiosks	248,900	175,000	423,900
Broadway Boulevard Transit Improvements	125,000	-0-	125,000
Compressed Natural Gas Facility Improvements	78,000	500,000	578,000
Downtown Intermodal Center/Union Pacific Depot	4,965,100	4,000,000	8,965,100
Expansion Vans for Van Tran	-0-	780,000	780,000
Pima Community College Transit Projects	564,000	700,000	1,264,000
Replacement Buses	3,684,000	4,906,400	8,590,400
Replacement Vans	-0-	1,560,000	1,560,000
Sun Tran Bus Storage and Maintenance Facility	2,617,000	5,660,000	8,277,000
Transit Alternatives Analysis	2,000,000	-0-	2,000,000
Transit Enhancements	100,000	103,000	203,000
Transit Headquarters Improvements	872,000	822,000	1,694,000
Udall Center Transit Facility	250,000	100,000	350,000
Sub-Total	15,554,000	19,356,400	34,910,400
<b>Total</b>	<b>\$ 25,495,500</b>	<b>\$ 77,055,000</b>	<b>\$ 102,550,500</b>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds	\$ 500,000	\$ 171,800	\$ 671,800
1994 Street and Highway Revenue Bond Funds	192,700	-0-	192,700
2000 General Obligation Bond Funds	2,103,900	13,581,300	15,685,200
2000 Street and Highway Revenue Bond Funds	2,574,000	8,422,500	10,996,500
Capital Agreement Fund	434,000	2,727,000	3,161,000
Capital Agreement Fund: ADOT	-0-	500,000	500,000
Capital Agreement Fund: PAG	891,900	5,812,000	6,703,900

<b>Transportation</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
<b>Source of Funds Summary (Continued)</b>			
Capital Agreement Fund: Pima County Contribution	\$ 206,000	\$ -0-	\$ 206,000
Federal Highway Administration Grants	-0-	22,978,000	22,978,000
Highway User Revenue Fund	3,589,000	2,179,000	5,768,000
Mass Transit Fund: Federal Grants	13,545,600	18,025,800	31,571,400
Mass Transit Fund: General Fund Transfer	929,400	1,320,600	2,250,000
Miscellaneous Non-Federal Grants	-0-	728,000	728,000
Special Assessments Construction Fund	529,000	609,000	1,138,000
<b>Total</b>	<b>\$ 25,495,500</b>	<b>\$ 77,055,000</b>	<b>\$ 102,550,500</b>

Tucson Water			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
<b>Tucson Water - Potable Water System:</b>			
<u>Tucson Water - Potable Source Development</u>			
Drill Production Wells	\$ -0-	\$ 600,000	\$ 600,000
New Well Equipping	-0-	600,000	600,000
Pressure Tank Replacement	-0-	450,000	450,000
Production Well Sites	-0-	75,000	75,000
Well Field Upgrades	-0-	388,000	388,000
Sub-Total	-0-	2,113,000	2,113,000
<u>Tucson Water - Recharge and Recovery</u>			
Clearwater Renewable Resource Facility	2,270,000	-0-	2,270,000
South Avra Valley Storage & Recovery Project	-0-	255,000	255,000
Sub-Total	2,270,000	255,000	2,525,000
<u>Tucson Water - Potable Storage</u>			
22nd Street Reservoir Modifications (Vault)	90,000	-0-	90,000
Diamond Bell F Zone Reservoir	-0-	120,000	120,000
Diamond Bell I Zone Reservoir and Booster	-0-	17,000	17,000
Disinfection System Upgrades	-0-	870,000	870,000
Murphy Reservoir Piping Modifications	-0-	500,000	500,000
Plant 9 Storage Tank Project	-0-	220,000	220,000
Potable Storage - Future	-0-	55,000	55,000
Reservoir Roof Replacements	-0-	204,000	204,000
Southeast C Zone Reservoir	-0-	16,000	16,000
Southeast E Zone Storage	-0-	500,000	500,000
Wilmot D Zone Reservoir and Booster	-0-	782,000	782,000
Sub-Total	90,000	3,284,000	3,374,000
<u>Tucson Water - Potable Pumping Plant</u>			
Anklam A-B Zone Booster Station	250,000	-0-	250,000
Clearwell Pressure Regulating Valve Stations	-0-	400,000	400,000
Diamond Bell G-I Zone Booster Modifications	-0-	20,000	20,000
Fireflow Booster Upgrades	-0-	50,000	50,000
Ironwood Hills A-B Booster Station Modifications	160,000	-0-	160,000
Las Palomas B-C Booster Station Modifications	-0-	364,000	364,000
Mark Road Booster Station Modifications	-0-	200,000	200,000
Potable Pumping Plant - Future	-0-	55,000	55,000
Pressure Regulating Valve Stations Modifications	-0-	100,000	100,000
Pumping Facility Modifications	-0-	300,000	300,000
Speedway B-C Zone Booster Station Modifications	80,000	-0-	80,000
Variable Speed Boosters	-0-	80,000	80,000
Sub-Total	490,000	1,569,000	2,059,000

<b>Tucson Water</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
<u><b>Tucson Water - Potable Transmission</b></u>			
Alvernon/Grant B Zone Transmission Main	\$ 180,000	500,000	\$ 680,000
Avra Valley Transmission Main, Phase I	-0-	35,000	35,000
Cathodic Corrosion Protection Installation	-0-	250,000	250,000
Corrosion Evaluation and Repair	-0-	250,000	250,000
Diamond Bell I Zone Transmission Main	-0-	11,000	11,000
Diamond Bell J Zone Transmission Main	-0-	7,000	7,000
Excavated Corrosion Investigation	-0-	125,000	125,000
Old Nogales Highway Transmission Main	-0-	4,658,000	4,658,000
Plumer/Broadway B Zone Transmission Main	-0-	500,000	500,000
Southeast E Zone Transmission Main	-0-	150,000	150,000
Southside Gravity Main Replacement	-0-	450,000	450,000
Southwest C Zone Transmission Main	-0-	450,000	450,000
Transmission Main Projects - Future	-0-	500,000	500,000
Upgrade Corrosion Test Stations	-0-	20,000	20,000
Well AV-26 Discharge Transmission Main	-0-	160,000	160,000
Sub-Total	180,000	8,066,000	8,246,000
<u><b>Tucson Water - Potable Distribution</b></u>			
Chip Seal Main Replacements	-0-	25,000	25,000
Distribution Main Projects - Future	-0-	550,000	550,000
Emergency Main Replacement	230,000	100,000	330,000
Extensions for New Services	-0-	10,000	10,000
Midvale Farms Reimbursements	-0-	170,000	170,000
On-Call Valve Replacement Program	-0-	200,000	200,000
Payments to Developers for Oversized Systems	-0-	100,000	100,000
Peppertree Settlement	-0-	300,000	300,000
Review of Developer-Financed Potable Projects	-0-	850,000	850,000
Road Improvement Main Replacements	1,380,000	2,600,000	3,980,000
Routine Main Replacements	-0-	550,000	550,000
Shannon-Ironwood Hills Fire Protection	-0-	450,000	450,000
Skyline Country Club System Modifications	-0-	13,000	13,000
Taylor Lane System Improvements	-0-	158,000	158,000
Ventana Canyon Reimbursements	-0-	50,000	50,000
Sub-Total	1,610,000	6,126,000	7,736,000
<u><b>Tucson Water - Potable New Services</b></u>			
Fire Services	-0-	1,000,000	1,000,000
Water Services	-0-	1,210,000	1,210,000
Sub-Total	-0-	2,210,000	2,210,000



<b>Tucson Water</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
<u>Tucson Water - Potable General Plant</u>			
Facility Improvements - Future	\$ -0-	\$ 18,000	\$ 18,000
Facility Safety and Security	80,000	548,000	628,000
Geographic Information System	90,000	891,000	981,000
Maintenance Management Program	200,000	1,034,000	1,234,000
Microwave Radio Replacements	150,000	-0-	150,000
Miscellaneous Land and Right-of-Way Acquisitions	-0-	10,000	10,000
Tucson Water Document Management	-0-	50,000	50,000
Sub-Total	520,000	2,551,000	3,071,000
<u>Tucson Water - Potable Treatment</u>			
Hayden-Udall Plant Rehabilitation	225,000	1,000,000	1,225,000
Technical Drive Improvements	-0-	400,000	400,000
Treatment Improvements - Future	-0-	1,250,000	1,250,000
Sub-Total	225,000	2,650,000	2,875,000
<u>Tucson Water - Portable Process Control</u>			
Control Panel Replacements	-0-	1,420,000	1,420,000
Photovoltaic Monitoring Control	-0-	60,000	60,000
Sub-Total	-0-	1,480,000	1,480,000
<u>Tucson Water - Capitalized Expense</u>			
Capitalized Expense	-0-	5,000,000	5,000,000
Sub-Total	-0-	5,000,000	5,000,000
Potable Water System Sub-Total	5,385,000	35,304,000	40,689,000
<b>Tucson Water - Reclaimed Water System:</b>			
<u>Tucson Water - Reclaimed Source Development</u>			
Reclaimed Storage and Recovery	-0-	1,500,000	1,500,000
Sub-Total	-0-	1,500,000	1,500,000
<u>Tucson Water - Reclaimed Storage</u>			
Reclaimed Storage Projects - Future	-0-	30,000	30,000
Sub-Total	-0-	30,000	30,000
<u>Tucson Water - Reclaimed Pumping Plant</u>			
Mission Manor Park Booster	-0-	400,000	400,000
Northwest In-Line Booster	-0-	550,000	550,000
Reclaimed Pressure Regulating Valve Project	-0-	50,000	50,000
Reclaimed Pumping Plant - Future	-0-	55,000	55,000
Reid Park Boosters Expansion	-0-	480,000	480,000
Sub-Total	-0-	1,535,000	1,535,000

<b>Tucson Water</b>			
<b>Project Name</b>	<b>Recommended Fiscal Year 2004</b>		
	<b>Carry Forward</b>	<b>New Funding</b>	<b>Total</b>
<u><b>Tucson Water - Reclaimed Transmission</b></u>			
18th St/10th Ave Reclaimed Transmission Main	\$ -0-	\$ 2,705,000	\$ 2,705,000
Campbell/Drexel Reclaimed Main	-0-	1,890,000	1,890,000
Golf Links/Craycroft Reclaimed Transmission Main	390,000	500,000	890,000
Reclaimed Transmission Mains - Future	-0-	555,000	555,000
Sub-Total	390,000	5,650,000	6,040,000
<u><b>Tucson Water - Reclaimed Distribution</b></u>			
City of Tucson Parks Main Extensions	-0-	55,000	55,000
Review of Developer-Financed Reclaimed Projects	-0-	60,000	60,000
Starr Pass Improvements - Reclaimed System	-0-	600,000	600,000
Sunnyside School District Main Extensions	-0-	55,000	55,000
System Enhancements: Reclaimed	100,000	100,000	200,000
Tucson Unified School District Main Extensions	30,000	55,000	85,000
Sub-Total	130,000	925,000	1,055,000
<u><b>Tucson Water - Reclaimed New Services</b></u>			
New Metered Services	-0-	50,000	50,000
Sub-Total	-0-	50,000	50,000
<u><b>Tucson Water - Reclaimed Treatment</b></u>			
Chlorine System Improvements	-0-	1,000,000	1,000,000
Roger Road Reclaimed Water Treatment Plant Miscellaneous	-0-	100,000	100,000
Sub-Total	-0-	1,100,000	1,100,000
<u><b>Tucson Water - Reclaimed Process Control</b></u>			
Microwave Radio Replacements: Reclaimed	-0-	30,000	30,000
Sub-Total	-0-	30,000	30,000
Reclaimed Water System Sub-Total	520,000	10,820,000	11,340,000
<b>Total</b>	<b>\$ 5,905,000</b>	<b>\$ 46,124,000</b>	<b>\$ 52,029,000</b>
<u><b>Source of Funds Summary</b></u>			
2000 Water Revenue Bond Funds	\$ 5,905,000	\$ 25,301,000	\$ 31,206,000
Central Arizona Project Reserve Fund	-0-	10,000	10,000
Tucson Water Revenue and Operations Fund	-0-	20,813,000	20,813,000
<b>Total</b>	<b>\$ 5,905,000</b>	<b>\$ 46,124,000</b>	<b>\$ 52,029,000</b>

## Environmental Management

Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Broadway-Pantano Remediation Site	\$ -0-	\$ 1,953,900	\$ 1,953,900
City Landfill Groundwater Investigations	222,000	290,000	512,000
Cottonwood Landfill Project	270,000	200,000	470,000
Harrison Landfill Groundwater Remediation	117,000	40,000	157,000
Los Reales Landfill Groundwater Remediation	200,000	250,000	450,000
Los Reales Landfill Southwest Remediation	450,000	150,000	600,000
Price Service Center Remediation	1,121,900	400,000	1,521,900
Prudence Landfill Vadose Zone Remediation	860,000	-0-	860,000
Silverbell Jail Annex Landfill	500,000	500,000	1,000,000
Tumamoc Landfill Soil/Groundwater Assessment	166,000	1,020,000	1,186,000
<b>Total</b>	<b>\$ 3,906,900</b>	<b>\$ 4,803,900</b>	<b>\$ 8,710,800</b>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds	\$ 251,900	\$ -0-	\$ 251,900
2000 General Obligation Bond Funds	2,317,000	2,129,000	4,446,000
Capital Agreement Fund	500,000	1,321,200	1,821,200
Capital Agreement Fund: Pima County Contribution	-0-	43,700	43,700
General Fund: Mandate Reserves	838,000	1,310,000	2,148,000
<b>Total</b>	<b>\$ 3,906,900</b>	<b>\$ 4,803,900</b>	<b>\$ 8,710,800</b>

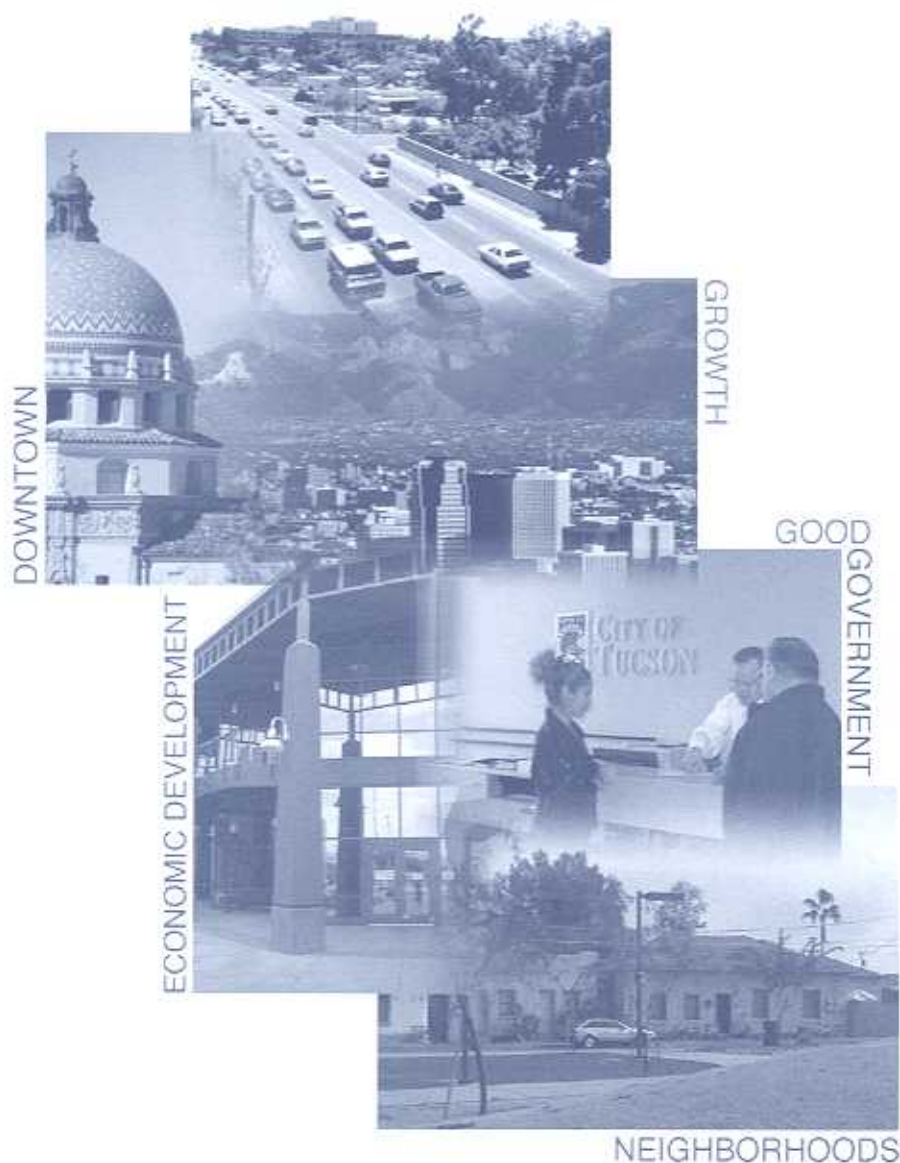
Operations			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
<u>Operations - Buildings and Equipment</u>			
Emergency Communications System and Facility	\$ 5,272,600	\$ 3,264,400	\$ 8,537,000
Sub-Total	5,272,600	3,264,400	8,537,000
<u>Operations - Americans with Disabilities Act</u>			
ADA Modifications to Parks	136,800	-0-	136,800
Sub-Total	136,800	-0-	136,800
<b>Total</b>	<b>\$ 5,409,400</b>	<b>\$ 3,264,400</b>	<b>\$ 8,673,800</b>
<b>Source of Funds Summary</b>			
General Fund	\$ 636,800	\$ 124,400	\$ 761,200
General Fund Debt Financing	4,772,600	3,140,000	7,912,600
<b>Total</b>	<b>\$ 5,409,400</b>	<b>\$ 3,264,400</b>	<b>\$ 8,673,800</b>

General Expense			
Project Name	Recommended Fiscal Year 2004		
	Carry Forward	New Funding	Total
Midtown Multipurpose Facility	\$ 9,892,900	\$ 957,400	\$ 10,850,300
Starr Pass Parking Garage	1,000,000	2,000,000	3,000,000
<b>Total</b>	<b>\$ 10,892,900</b>	<b>\$ 2,957,400</b>	<b>\$ 13,850,300</b>
<b>Source of Funds Summary</b>			
General Fund: Certificates of Participation	\$ 4,242,900	\$ 2,957,400	\$ 7,200,300
General Fund: Restricted Trust Reserves	6,650,000	-0-	6,650,000
<b>Total</b>	<b>\$ 10,892,900</b>	<b>\$ 2,957,400</b>	<b>\$ 13,850,300</b>

# Section G

## *City Strategic Plan*

### TRANSPORTATION





# CITY STRATEGIC PLAN

The City of Tucson continues to move forward in its effort to become a more strategic, results-oriented organization. The process began in the mid-1990s with the introduction of performance measurement and the Livable Tucson program, and continues in Fiscal Year 2004 with a focus on the City Strategic Plan.

To be more efficient and effective in delivering quality services to residents, the City of Tucson follows a four-step strategic approach:

- Use Mayor and Council strategic priorities to guide City of Tucson priorities,
- Align the city organization to effectively carry out these priorities,
- Fund programs and projects which further these priorities, and
- Measure the results of our work and use the information to improve services.

## **Performance Measurement: The Journey Begins**

In the mid-1990s, the city began measuring its performance by developing numerous “Recurring Performance Measures” for each division of the organization. These measures were reported on a quarterly basis and were included in the annual budget document. In the late 1990s, the city’s performance measurement effort was refined by distinguishing between outputs and outcomes, and reducing the number of measures by identifying only the most important, or key, measures of performance.

## **The Livable Tucson Program**

In October 1996, the Mayor and Council adopted the Strategic Approach for Budget Development and Planning — a process for allocating resources based on community-identified values and priorities. To identify initial community priorities, the Livable Tucson Vision Program was initiated with public forums conducted during the spring and summer of 1997. Over 1,200 community members, business people, and city employees participated.

As a result of the community process, 17 community goals were identified. The goals are presented on the following pages.

## **A Results-Oriented Organization: The Ultimate Goal**

Performance measurement and the Livable Tucson program were starting points for the City of Tucson in adopting a more results-oriented, strategic approach to providing services to residents. While the City Strategic Plan has allowed the city to move forward, additional steps still need to be taken.

To better equip the organization to effectively carry out priorities, departments and offices are aligned into four service areas:

- Support Services
- Neighborhood Services
- Environment and Development
- Strategic Initiatives

## **A Results-Oriented Organization and A Livable Tucson**

These groupings facilitate departments and offices working in partnership to achieve city priorities. The alignment also allows the organization to function with a more meaningful performance measurement system, one that connects across departments, and helps measure results at all levels of the organization — from divisions down to employees.

## City Strategic Plan (Continued)

In a properly aligned organization, all efforts lead upward towards Mayor and Council priorities and community values and interests.

### Citizen Survey

Livable Tucson provided an initial foundation for community values and interests. Our community is ever changing, however, and additional sources of data are needed to ensure that our priorities are reflective of the community. One source of community data came from a citizen survey the City of Tucson conducted during 2001 in partnership with the International City/County Management Association (ICMA). Tucson was selected by ICMA as one of five jurisdictions to pilot a citizen survey that will eventually be used to benchmark survey results nationally among cities. Results from the survey are being used by the city council and the city organization to assess current practices and help set future priorities.

### Focus Areas and the Strategic Planning Process

On December 17, 2001, as part of a strategic planning process, the Mayor and Council adopted six focus areas to guide improvements and development efforts within this current budget cycle. The focus areas are: Transportation, Downtown, Growth, Neighborhoods, Economic Development, and Good Government. These focus areas will be reviewed and further defined in subsequent budget cycles. Prioritizing areas for more concentrated effort is common in the private sector and more recently in the public sector with the City of Charlotte being the most notable example. Focus areas allow government units to concentrate management initiatives, projects, and strategies, direct training of employees, and use resources effectively. The six focus areas and their relationship to the Livable Tucson Goals are shown in the following table:

<b>CORRESPONDENCE BETWEEN LIVABLE TUCSON GOALS AND FOCUS AREAS</b>						
<b>LIVABLE TUCSON GOALS</b>	<b>Six Focus Areas</b>					
	<b>Transportation</b>	<b>Downtown</b>	<b>Growth</b>	<b>Neighborhoods</b>	<b>Economic Development</b>	<b>Good Government</b>
1. Better Alternatives to Automobile Transportation	<b>x</b>					
2. Engaged Community and Responsive Government		<b>x</b>		<b>x</b>		<b>x</b>
3. Safe Neighborhoods				<b>x</b>		<b>x</b>
4. Caring, Healthy Families and Youth				<b>x</b>		<b>x</b>
5. Excellent Public Education					<b>x</b>	
6. Infill and Reinvestment, Not Urban Sprawl		<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
7. Abundant Urban Green Space and Recreation Areas			<b>x</b>	<b>x</b>		
8. Protected Natural Desert Environment			<b>x</b>			
9. Better Paying Jobs					<b>x</b>	
10. Clean Air and Quality Water	<b>x</b>					<b>x</b>
11. People-Oriented Neighborhoods	<b>x</b>			<b>x</b>		<b>x</b>
12. Respected Historic and Cultural Resources		<b>x</b>				<b>x</b>
13. Quality Job Training					<b>x</b>	
14. Reduced Poverty and Greater Equality of Opportunity					<b>x</b>	<b>x</b>
15. Strong Local Businesses		<b>x</b>			<b>x</b>	
16. Efficient Use of Natural Resources			<b>x</b>			<b>x</b>
17. Successful Downtown	<b>x</b>	<b>x</b>		<b>x</b>	<b>x</b>	<b>x</b>



## **City Strategic Plan (Continued)**

During special strategic planning sessions held during early 2002, the Mayor and Council discussed each of the focus areas in greater depth. These working sessions were an important prelude to the Fiscal Years 2003 and 2004 biennial budget preparation. In light of the difficult budget years ahead, having a set of priorities for the city is of particular importance and enables city resources to be organized more effectively to accomplish Council priorities. Setting focus areas and identifying priority projects not only helps direct limited resources in the Fiscal Year 2004 budget, but also clarifies for staff the results that Mayor and Council believe are important to achieve.

Within each focus area, the Mayor and Council have adopted a set of strategies and priority projects. Taken collectively, the focus area projects set the workplan for the organization. Performance measures, which are included in this document, set specific indicators of progress for each focus area. City staff will report periodically to Mayor and Council on the performance measures and provide updates on the projects listed in this document.

The City Strategic Plan directs the city's limited resources so that they further the Mayor and Council's agenda and have practical results in the short-term, as well as significant, long-term impact on the community. The City Strategic Plan can be found on the city's Website ([www.cityoftucson.org](http://www.cityoftucson.org)), in the City Government Section.



# CITY STRATEGIC PLAN FOCUS AREAS AND STRATEGIES

## **Transportation**

1. Seek and obtain resources necessary to improve the transportation system.
2. Provide leadership within the region to address transportation system needs.
3. Develop some alternative land use patterns to promote a more effective transportation system.
4. Deploy Community Character and Design policies in transportation projects.

## **Downtown**

1. Aggressively manage downtown's redevelopment through partnering efforts with public and private organizations and individuals active in the downtown.
2. Provide a highly "amenitized" urban center focused on the proposed entertainment experience area on Congress Street from Church Street to 4th Avenue, linked with the Tucson Convention Center and its adjoining proposed Civic Plaza.
3. Leverage private leadership and investment in downtown through targeted public investment.

## **Growth**

Overarching Strategy: Elevate long range comprehensive planning to the highest level priority for the City of Tucson.

1. Ensure the balanced growth of the community.
2. Build effective relationships with regional partners.
3. Implement the General Plan's cost of development strategy.
4. Improve service delivery to address the demands of a growing community.

## **Neighborhoods**

1. The Human Environment - Maintain and strengthen human connections within neighborhoods, encourage inclusive participation, foster safety, strengthen neighborhood leadership, and encourage a greater sense of community stewardship.
2. The Built Environment - Invest public funding and encourage private investment and public/private partnerships in Tucson's neighborhoods and enhance their appearance and livability.
3. The Natural Environment - Respect and preserve our natural environment.

## **Economic Development**

Overarching Strategy: Recognize that every public policy decision has an economic component. Investment in public infrastructure and services, transportation, downtown, neighborhoods, and how we plan for and manage growth are key components of a healthy economy.

1. Foster a strong, diversified economy by creating, attracting, and retaining businesses that provide knowledge-based, high-quality employment opportunities.
2. Support the development of a prepared and successful workforce.
3. Improve community infrastructure to support and encourage economic expansion and opportunity in a global marketplace.

## **Good Government**

1. Improved Customer Service - Position the city to provide the highest level of customer service to city residents and the community at large.
2. Prepared Workforce - Enable and support the development of a prepared and successful employee workforce that is aligned with organizational priorities.
3. Fiscal Responsibility - Optimize and streamline organizational processes to ensure quality services and fiscal responsibility.
4. Expanded Use of Technology - Capitalize on technology to improve service and increase efficiency, ensure public and employee safety, exercise appropriate environmental stewardship, and provide greater information access.
5. Strengthen Partnerships - Build a strategic network of partnerships that aim at bettering community life, eliminating redundant services, and stretching the value of the taxpayer's dollar.



# LIVABLE TUCSON GOALS

Following are the 17 Livable Tucson Goals as identified and prioritized during the *Livable Tucson Vision Program*.



## ***Better Alternatives to Automobile Transportation***

Definition: An improved public transportation system; bicycle- and pedestrian-friendly streets; improved roadways with landscaping, street lighting, sidewalks, and bus stops; the promotion of alternatives to automobile transportation.



## ***Engaged Community and Responsive Government***

Definition: Involvement by citizens in volunteering and neighborhood participation; government responsiveness to citizen input; connection between government and the people.



## ***Safe Neighborhoods***

Definition: People feel safe in their neighborhoods; positive perceptions about crime-levels and policing.



## ***Caring, Healthy Families and Youth***

Definition: Opportunities, services, and conditions that support families and youth.



## ***Excellent Public Education***

Definition: Quality education at all levels; availability of vocational, lifeskills, cultural, and civic training.



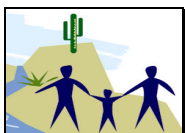
## ***Infill and Reinvestment, Not Urban Sprawl***

Definition: Well-planned growth; management of urban sprawl; development in the city's core, rather than the periphery.



## ***Abundant Urban Green Space and Recreation Areas***

Definition: Recreation and green space within the city including neighborhood and regional parks; common space and community gardens; bicycle and pedestrian paths; trees and urban landscaping.



## ***Protected Natural Desert Environment***

Definition: Protection of the Sonoran Desert eco-system and protection of washes, hillsides, open space, and wildlife.

## **Livable Tucson Goals (Continued)**



### ***Better Paying Jobs***

Definition: More jobs with good wages; job quality and diversity; an improved standard of living.



### ***Clean Air and Quality Water***

Definition: Reduced air pollution; provision of clean, potable water.



### ***People-Oriented Neighborhoods***

Definition: Design of new neighborhoods and investment in old neighborhoods that promotes a mix of commercial and residential uses; neighborhoods with a pedestrian focus, landscaping, and interaction among residents.



### ***Respected Historic and Cultural Resources***

Definition: Preservation and celebration of local landmarks, buildings, neighborhoods, archeological treasures, open spaces, cultures, and traditions.



### ***Quality Job Training***

Definition: Education, training, and skill development that will lead to high quality, living wage jobs.



### ***Reduced Poverty and Greater Equality of Opportunity***

Definition: The fair distribution of resources, creating opportunities to overcome poverty and social and economic inequalities.



### ***Strong Local Businesses***

Definition: Support for the local economy, particularly small locally owned businesses.



### ***Efficient Use of Natural Resources***

Definition: Conservation of natural resources and use of sustainable energy sources.



### ***Successful Downtown***

Definition: Promotion and development of the cultural and commercial aspects of the city center.

# Section H

## Rio Nuevo

TRANSPORTATION



DOWNTOWN



GROWTH



GOOD  
GOVERNMENT



ECONOMIC DEVELOPMENT



NEIGHBORHOODS





## INTEGRATION WITH CITY STRATEGIC PLAN

The implementation of the Rio Nuevo Master Plan and the initiation of the tax increment financing mechanism for the Rio Nuevo Multipurpose Facilities District were two important steps toward realizing the vision of a vibrant downtown Tucson. In order to keep this vision alive, the downtown revitalization effort must be a focused endeavor, accomplished through the implementation of prioritized projects.

The City Strategic Plan sets forth a set of priorities for the City of Tucson and provides a framework for strategic planning, which will help guide city resources and focus attention on results. The Mayor and Council have adopted a set of strategies and priority projects for the downtown that set the workplan for the organization.

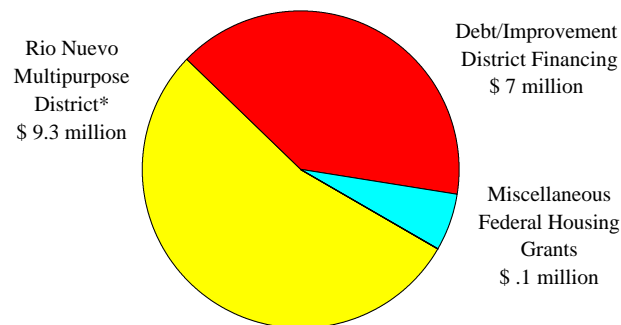
Strategic Policy Statements:

1. Aggressively manage downtown's redevelopment through partnering efforts with public and private organizations and individuals active in the downtown.
2. Provide a highly "amenitized" urban center focused on the proposed entertainment experience area on Congress Street from Church Avenue to 4<sup>th</sup> Avenue, linked with the Tucson Convention Center and its adjoining new Civic Plaza.
3. Leverage private leadership and investments in downtown through targeted public investment.

## FINANCING PLAN

**Fiscal Year 2004**

\$16.4 million



\*Comprised of \$4.8 million in rental income from the Tucson Convention Center used to pay debt service and an anticipated \$4.5 million in tax increment financing (TIF) funds.

### **OVERVIEW**

In 1999, Tucson and South Tucson voters approved the Rio Nuevo Multipurpose Facilities District (RNMFD) and established a tax increment financing (TIF) mechanism to fund economic development downtown. The vision for Rio Nuevo is to create a vital city center that expresses Tucson's unique natural landscape, cultural heritage, and community values. The Rio Nuevo Project will create a solid foundation in which both residents and visitors can experience the cultural riches of our community's heritage. Its residential and commercial development opportunities will re-create a vibrant core of new life in the heart and future of Tucson.

Financing for the Rio Nuevo Project is made up of the incremental portion of state sales tax revenues generated within the district's geographical boundaries, city funding equaling a match of this state sales tax revenue, and private investment funding. It is projected that \$60 million of state sales tax will be made available to the Rio Nuevo Project and that the city match portion will provide another \$60 million. State sales tax funds will be collected from the Arizona Department of Revenue over a ten-year period that was initiated on October 1, 2002. Supplemental private investment dollars over a 20-year timeframe could generate a total Rio Nuevo Project development investment of over \$750 million. The level of ultimate funding will be dependent upon the amount of private investment leveraged over time by the District's \$120 million of public investment.

### **FISCAL YEAR 2004 BUDGET**

**For Information Purposes Only. Rio Nuevo is not part of the city's budget.**

The Fiscal Year 2004 budget totals \$16.4 million: \$9.3 million in district funding, \$7 million in debt and improvement district financing of capital projects, and \$.1 million from a federal grant. The \$9.3 million in district funding includes \$4.8 million of rental income revenue from the City of Tucson's use of the Tucson Convention Center that is used for payment of debt service on the facility. It is anticipated that the district's remaining \$4.5 million of funds will come from the tax increment financing mechanism. Additional public/private funding is anticipated for capital projects within the District that could total \$12.1 million.

The staff of 4.75 full-time equivalent positions is supplemented by assistance provided by city department staff temporarily assigned and charged to the Rio Nuevo Project.

The District's Board of Directors will adopt the annual budget in June 2003.

### **HIGHLIGHTS**

The RNMFD acquired the Tucson Convention Center (TCC) and its parking facility through a lease payment financing. This fulfilled the Arizona statute requirement that a multipurpose facilities district must include a primary component that is used to accommodate sporting events and entertainment, cultural, civic, meeting, trade show, or convention events or activities. Renovations to the TCC Box Office, which included relocation and expansion for better service and accessibility, is scheduled for completion in March 2003.

In December 2002, the Rio Nuevo District Board and the Mayor and Council approved a development and lease with the Tucson Fox Theatre Foundation. The development agreement provides for the use of \$3.5 million of TIF funds for the \$10 million Fox Theatre Restoration Project. The theatre restoration should be complete by the end of 2004 and will result in a 1,300-seat theatre to be used to host live performances and exhibit films.

The Tucson Origins archeological investigation and historical research has been completed. A consultant firm will conduct a study on the reconstruction and interpretation of the Mission San Agustin as it was in the 17<sup>th</sup> century and the Presidio of Tucson, the city's first neighborhood.

In January 2003, five development corporations responded to the Thrifty Block Request for Qualifications. This will be a mixed-use project utilizing the downtown site on Congress Street that the District purchased from the federal General Services Administration.



RESOURCE SUMMARY

	Actual FY 2002	Adopted* FY 2003	Estimated FY 2003	Projected** FY 2004	Revised** FY 2004
<b>POSITION SUMMARY</b>					
PERMANENT					
Rio Nuevo Project	2.50	5.25	3.75	5.25	4.75
<b>Total</b>	<b>2.50</b>	<b>5.25</b>	<b>3.75</b>	<b>5.25</b>	<b>4.75</b>

FINANCIAL SUMMARY

Rio Nuevo	\$ 5,525,876	\$ 7,226,130	\$ 6,325,130	\$ 6,181,180	\$ 7,665,080
<b>Operating Total***</b>	<b>5,525,876</b>	<b>7,226,130</b>	<b>6,325,130</b>	<b>6,181,180</b>	<b>7,665,080</b>
Capital Improvements	274,117	11,781,250	3,495,980	13,900,000	8,750,000
<b>Total</b>	<b>\$ 5,799,993</b>	<b>\$ 19,007,380</b>	<b>\$ 9,821,110</b>	<b>\$ 20,081,180</b>	<b>\$ 16,415,080</b>

CHARACTER OF EXPENDITURES

Personal Services	\$ 261,021	\$ 370,000	\$ 370,000	\$ 384,800	\$ 543,700
Services	1,993,648	1,133,100	1,133,100	943,100	536,100
Commodities	25,600	72,500	72,500	72,500	40,500
Equipment	6,217	11,750	11,750	43,000	7,000
Debt Service***	3,239,390	5,638,780	4,737,780	4,737,780	6,537,780
<b>Operating Total</b>	<b>5,525,876</b>	<b>7,226,130</b>	<b>6,325,130</b>	<b>6,181,180</b>	<b>7,665,080</b>
Capital Improvements	274,117	11,781,250	3,495,980	13,900,000	8,750,000
<b>Total</b>	<b>\$ 5,799,993</b>	<b>\$ 19,007,380</b>	<b>\$ 9,821,110</b>	<b>\$ 20,081,180</b>	<b>\$ 16,415,080</b>

SOURCE OF FUNDS

<b>OPERATING FUNDS</b>					
Rio Nuevo Multipurpose District	\$ -0-	\$ -0-	\$ -0-	\$ 1,443,400	\$ 2,927,300
Rent from Tucson Convention Center	3,304,180	-0-	4,737,780	4,737,780	4,737,780
Loan from City of Tucson	2,221,696	7,226,130	1,587,350	-0-	-0-
<b>Operating Funds Total</b>	<b>\$ 5,525,876</b>	<b>\$ 7,226,130</b>	<b>\$ 6,325,130</b>	<b>\$ 6,181,180</b>	<b>\$ 7,665,080</b>

\*The Rio Nuevo Multipurpose Facilities District Board of Directors adopts the Rio Nuevo Project budget for each fiscal year; the City of Tucson Mayor and Council do not adopt it.

\*\*The Projected Fiscal Year 2004 column includes the budget that was published for informational purposes in the City of Tucson Fiscal Years 2003 and 2004 Biennial Budget. The Revised Fiscal Year 2004 column reflects the budget to be presented to the District Board for adoption in June 2003.

\*\*\*For Fiscal Year 2004, the Operating Total includes a \$4.8 million debt service payment on the financing of the Tucson Convention Center (TCC), a \$9 million debt service on capital improvements, and a \$9 million loan repayment to South Tucson and federal funds.



## RIO NUEVO PROJECT

### Resource Summary (Continued)

	<b>Actual FY 2002</b>	<b>Adopted* FY 2003</b>	<b>Estimated FY 2003</b>	<b>Projected** FY 2004</b>	<b>Revised** FY 2004</b>
<b>Source of Funds (Continued)</b>					
CAPITAL FUNDS					
Rio Nuevo Multipurpose District	\$ -0-	\$ 11,781,250	\$ -0-	\$ 13,900,000	\$ 1,600,000
Loan from City of Tucson	274,117	-0-	2,595,980	-0-	-0-
Debt/Improvement District Financing	-0-	-0-	-0-	-0-	7,050,000
Miscellaneous Federal Housing Grants	-0-	-0-	900,000	-0-	100,000
<b>Capital Funds Total</b>	<b>\$ 274,117</b>	<b>\$ 11,781,250</b>	<b>\$ 3,495,980</b>	<b>\$ 13,900,000</b>	<b>\$ 8,750,000</b>
<b>Total</b>	<b>\$ 5,799,993</b>	<b>\$ 19,007,380</b>	<b>\$ 9,821,110</b>	<b>\$ 20,081,180</b>	<b>\$ 16,415,080</b>

\*The Rio Nuevo Multipurpose Facilities District Board of Directors adopts the Rio Nuevo Project budget for each fiscal year; the City of Tucson Mayor and Council do not adopt it.

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### CAPITAL IMPROVEMENT PROJECTS

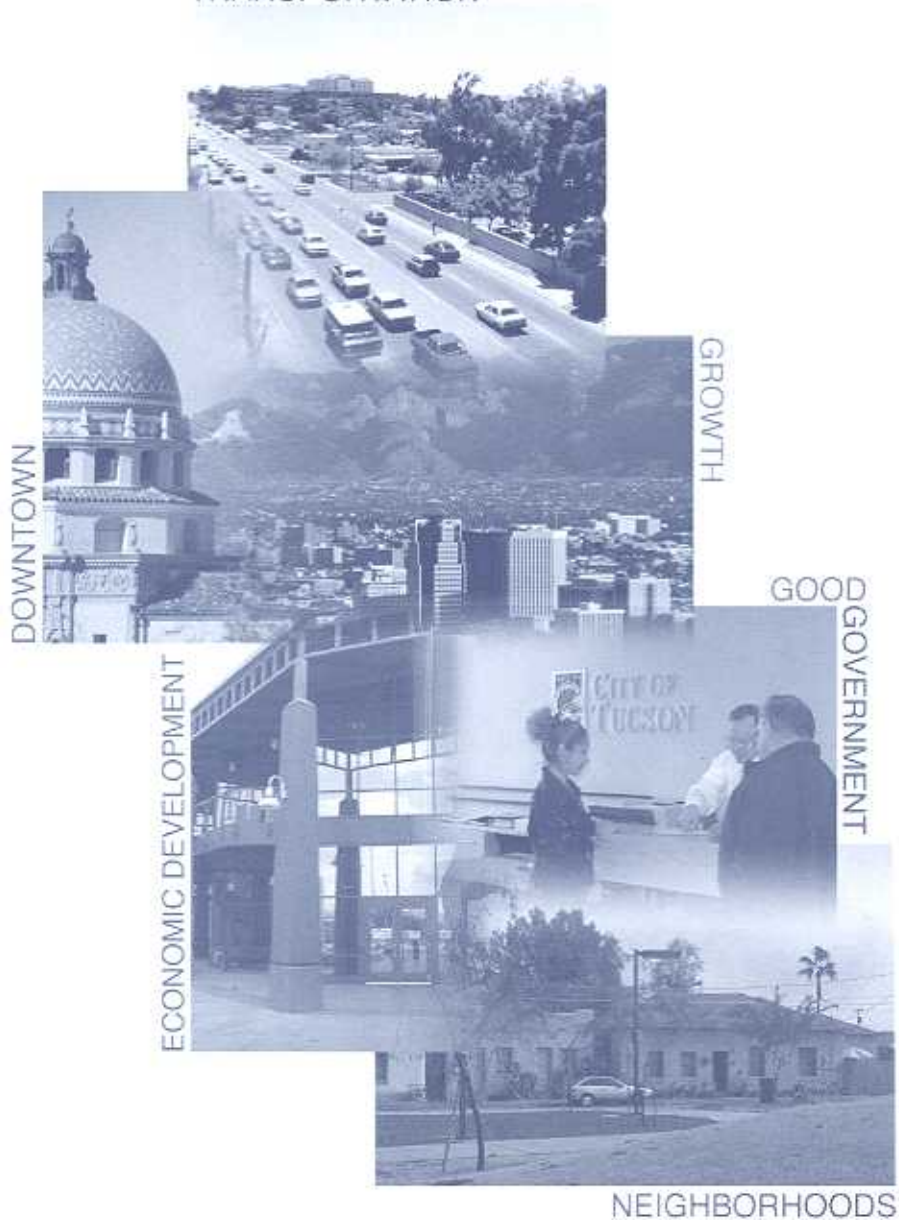
Capital Improvement Projects that have been identified as being underway or in the detailed planning stages during Fiscal Year 2004 include:

<u>Project</u>	<u>Projected Completion Date</u>
• Fox Theatre Restoration	FY 2005
• Mission Site Land Acquisition	FY 2004
• Mission Site and Origins Cultural Park	FY 2010
• Presidio Stabilization and Heritage Park	FY 2005
• Sentinel Peak Park	FY 2010
• University of Arizona Science Center/Arizona Sonora Desert Museum	FY 2007

# Section I

## *Glossary*

### TRANSPORTATION



## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>ACCOUNTABILITY</b>	The state of being obliged to explain actions to justify what was done. Accountability requires justification for the raising of public funds and the purposes for which they are used.
<b>ACTIVITY</b>	A group of related functions performed by one or more organizational units for the purpose of satisfying a need for which the city is responsible.
<b>ALLOCATION</b>	Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.
<b>ANALYSIS</b>	A process that separates the whole into its parts to determine their nature, proportion, function, and relationship.
<b>ANNUALIZED COSTS</b>	Operating costs incurred at annual rates for a portion of the prior fiscal year that must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.
<b>APPROPRIATION</b>	An authorization granted by the Mayor and Council to make expenditures and to incur obligations for purposes specified in the appropriation resolution.
<b>ASSESSED VALUATION</b>	A valuation set upon real estate or other property by the county assessor and the state as a basis for levying taxes.
<b>BENCHMARKING</b>	The ongoing search for best practices and processes that produce superior performance when adopted and implemented in an organization. For the purpose of bench-marking, only that which you can measure exists.
<b>BENCHMARKS</b>	Measurements used to gauge the city's efforts, both as a community and as an organizational entity, in accomplishing predefined and measurable desired outcomes that have been developed with participation from decision-makers, management, staff, and customers. Benchmark selection requires that you first know what it is you wish to improve, and then the metrics (a means to measure) that will be used.

## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>BIENNIAL BUDGET</b>	A form of multi-year budgeting that covers a two-year period, rather than the one-year period of an annual budget. Each year within the biennial period is budgeted and shown separately within a single budget document published at the start of the first year. At the start of each fiscal year, the Mayor and Council formally adopt each budget within the two-year period in compliance with state budget law. Second year budgets can be adjusted as necessary with the Mayor and Council budgetary policies.
<b>BOND</b>	A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity date), together with periodic interest at a specific rate.
<b>BOND FUNDS</b>	Funds used for the purchase or construction of major capital facilities which are not financed by other funds. The use of bond funds is limited to ensure that bond proceeds are spent only in the amounts and for the purposes authorized.
<b>BOND PROCEEDS</b>	Funds derived from the sale of bonds for the purpose of constructing major capital facilities.
<b>BONDS - GENERAL OBLIGATION</b>	Limited tax bonds which are secured by the city's secondary property tax.
<b>BUDGET</b>	A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.
<b>CAPITAL BUDGET</b>	A financial plan of proposed capital expenditures and the means of financing them.
<b>CAPITAL CARRYFORWARD</b>	Capital funds unspent and brought forward from prior years.
<b>CAPITAL IMPROVEMENT PROGRAM</b>	A plan separate from the annual budget that identifies: (1) all capital improvements which are proposed to be undertaken during a five fiscal year period, (2) the cost estimate for each improvement, (3) the method of financing each improvement, and (4) the planned implementation schedule for each project.

## GLOSSARY OF TERMS

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Term	Definition
<b>CAPITAL PROJECT</b>	Any project having assets of significant value and a useful life of five years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital improvements are permanent attachments intended to remain on the land. Capital projects may include the acquisition of heavy equipment and machinery or specialized vehicles using capital funding sources.
<b>CARRYFORWARD CAPITAL IMPROVEMENT PROJECT</b>	Any capital project that has been previously approved by the Mayor and Council, but for various reasons has not been implemented on schedule. Under state law and Generally Accepted Accounting Principles, only those costs relating to work actually done on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and, therefore, violate state budget law, such a project and the associated projected costs are included in the subsequent fiscal year's budget.
<b>CARRYFORWARD OPERATING FUND BALANCES</b>	Operating funds unspent and brought forward from prior fiscal years.
<b>CERTIFICATES OF PARTICIPATION</b>	A debt financing tool which is used to enable the city to purchase large equipment and improve or construct city facilities. Interest is paid and principal repaid through annual payments made from funds appropriated each fiscal year by the Mayor and Council.
<b>COMMODITIES</b>	Expendable items used by operating departments. Examples include office supplies, repair and replacement parts for equipment, books, and gasoline.
<b>CUSTOMER</b>	The recipient of a product or service provided by the city. Internal customers are city departments, employees, or officials who receive products or services provided by other city departments. External customers are citizens, neighborhoods, community organizations, businesses, or other public entities who receive products or services provided by a city department.
<b>DEBT SERVICE</b>	The amount required to retire the principal and pay the interest on outstanding debt.
<b>ENCUMBRANCES</b>	Obligations in the form of purchase orders, contracts, or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise extinguished.

## GLOSSARY OF TERMS

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Term	Definition
<b>ENTERPRISE FUND</b>	An accounting entity established to account for the acquisition, operation, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting.
<b>EQUIPMENT</b>	An item of machinery or furniture having a unit cost of more than \$100 and an estimated useful life of more than one year. Heavy equipment and machinery that are capital improvements are included in the capital budget and are not considered equipment items in the operating budget.
<b>EXPENDITURE</b>	Any authorization made for the payment or disbursing of funds during the fiscal year.
<b>FISCAL YEAR</b>	A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. Fiscal Year 2004, for the City of Tucson, refers to the period July 1, 2003 through June 30, 2004.
<b>FOCUS AREA</b>	Areas selected by the Mayor and Council as part of a strategic planning process that guide city improvement and development efforts for the budget year. For Fiscal Year 2003, the focus areas are Downtown, Transportation, Growth, Neighborhoods, Good Government, and Economic Development (see Vol. 1, "City Strategic Plan" for details).
<b>FULL-TIME EQUIVALENT POSITION (FTE)</b>	A full-time position, or part-time position converted to a decimal equivalent of a full-time position, based on 2,080 hours per year. For example, a summer lifeguard working for four months, or 690 hours, would be equivalent to .33 of a full-time position.
<b>FUND</b>	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.
<b>GENERAL FUND</b>	A fund used to account for all general purpose transactions of the city that do not require a special type of fund.
<b>INTER-ACTIVITY TRANSFERS</b>	Transactions between city organizations or funds that would be treated as revenues or expenditures if they involved parties external to the city. Transactions may be charged against other organizations or funds.
<b>MISSION</b>	A succinct description of the scope and purpose of a city department. It specifies the business activities of a department.

## GLOSSARY OF TERMS

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Term	Definition
<b>NON-PERSONAL SERVICES</b>	Costs related to expendable services, such as supplies, materials, utilities, printing, rent, and contracted and professional services.
<b>NON-RECURRING REVENUE</b>	Proceeds of general obligation bonds, revenue bonds, and other restricted revenue.
<b>OPERATING BUDGET</b>	A financial plan which applies to all proposed expenditures other than for capital improvements.
<b>OPERATING FUNDS</b>	Resources derived from recurring revenue sources used to finance operating expenditures and pay-as-you-go capital expenditures.
<b>ORGANIZATION</b>	The smallest unit of budgetary accountability and control which encompasses specific and distinguishable lines of work performed for the purpose of accomplishing a function for which the city is responsible.
<b>OTHER COSTS</b>	This classification of costs includes Sun Tran expenditures, contributions to outside agencies, and specific federal fund expenditures.
<b>OUTCOME</b>	The result or community benefit derived from programs or services expressed as a measure and used to evaluate quality or effectiveness. Examples of outcomes are the number of traffic signals operating trouble-free on a daily basis and the percent of library customers satisfied with the book collection.
<b>OUTPUT</b>	A quantitative measure of activities or efforts undertaken to provide a service or program. Examples of outputs are the number of responses to emergency 9-1-1 calls and the number of tons of recyclable materials collected.
<b>OUTSIDE AGENCIES</b>	A group of organizations which are neither associated with, nor allocated to, any particular city department. Payments to Other Governments, Economic Development, Cultural Enrichment, Community Health and Safety, Mayor and Council Appointed Commissions, Annual Community Events, and Tucson Community Cable Corporation (Access Tucson) are the major program groupings for outside agencies.
<b>PERFORMANCE MEASURE</b>	An annual indicator of achievement or measure of production for a program or a unit as defined in the organization of the budget. Measures may be expressed as a number count, fraction, or percent of achievement. Examples are the number of water meters read, number of customer calls received, or percent of customers rating the service as “good” or higher.

## GLOSSARY OF TERMS

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Term	Definition
<b>PERSONAL SERVICES</b>	The costs of compensating employees of the City of Tucson, including salaries and employee benefit costs, such as health, dental, and life insurance, city contributions for retirement, social security, and workers' compensation insurance.
<b>PRIMARY PROPERTY TAXES</b>	All ad valorem taxes, except the secondary property taxes, which can be used for any lawful purpose.
<b>PROGRAMS</b>	Desired output-oriented accomplishments which can be measured and achieved within a given time frame. Achievement of the programs advance the activity and organization toward fulfillment of a corresponding need.
<b>PROJECTS</b>	Unique assignments having a finite time span and a deliverable; normally associated with capital improvements such as roadway, neighborhood facilities, etc.
<b>RECURRING REVENUES</b>	Revenue sources available on a continuing basis to support operating and capital budgetary needs.
<b>RESTRICTED REVENUES</b>	Revenues which are legally restricted for a specific purpose by the federal, state, or local governments.
<b>REVENUES</b>	Income from taxes and other sources during the fiscal year.
<b>SECONDARY PROPERTY TAXES</b>	Ad valorem taxes or special property assessments used to pay the principal, interest, and redemption charges on any bonded indebtedness or other lawful long-term obligation issued or incurred for a specific purpose by a municipality, county, or taxing district; and assessments levied by or for assessment districts and for limited purpose districts other than school districts and community colleges pursuant to an election to temporarily exceed (up to one year) budget, expenditure, or tax limitations.
<b>SECONDARY TAX RATE</b>	The rate per one hundred dollars of assessed value employed in the levy of secondary property taxes. The assessed value derived from the current full cash value (market value) is the basis for computing taxes for budget overrides, bonds, and for sanitary, fire, and other special districts.
<b>SERVICES</b>	Costs which involve the performance of a specific service by an outside organization or other city organization. Examples of services include consultants, utilities, and vehicle maintenance.



## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>SIGNIFICANT CHANGES</b>	Explanations of financial differences between the current fiscal year adopted and the future fiscal year recommended or adopted budget amounts. The City of Tucson's biennial budget also includes explanations of the differences between the first and second year budgets.
<b>STREET AND HIGHWAY BONDS</b>	Revenue bonds which are secured by the city's Highway User Revenues and used for the construction of street, highway, and related capital projects.
<b>TAX LEVY</b>	The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.
<b>TAX RATE</b>	The amount of tax levied for each one hundred dollars of assessed valuation.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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### **BASIS OF ACCOUNTING**

In Fiscal Year 2002, the City of Tucson implemented a major change in its financial statement presentation in compliance with Governmental Accounting Standards Board (GASB) Statement 34. The new rules changed the way state and local governmental financial information is communicated to citizens, the media, creditors, bond raters, and legislative oversight bodies. In addition to changes to the specific financial statements, a narrative analysis of the fiscal year's financial activities is also presented.

The basic financial statements now include both government-wide financial statements, which focus on the city as a whole, and fund financial statements, which focus on major individual funds. Both of these sets of statements categorize primary activities of the city as either governmental or business type.

The government-wide Statement of Net Assets uses a full accrual, economic resources basis of accounting, which reflects all long-term debt and assets and incorporates depreciation of capital assets. This statement presents both governmental and business-type activities on a consolidated basis by column. Current year activity is displayed by functional category (e.g., Support Services, Neighborhood Services) and shows the gross cost of each function, the amount that gross costs are offset by program-related revenues (charges for services and grants), and the amount that is supported by general government revenues (e.g., taxes).

In contrast, the fund financial statements use an accounting treatment similar to previous years. In the major fund statements within the fund financial statements, business-type activities are presented in the same manner as within the government-wide statements, i.e. full accrual basis. Governmental funds are presented on a current financial resource and modified accrual basis of accounting. This presentation is considered appropriate to demonstrate both legal compliance and how the city's actual experience conforms to the budget.

The primary difference between the fund financial statements and the previous Generally Accepted Accounting Principles (GAAP) presentation is that the emphasis is now on the major funds in either the governmental or business-type categories, with non-major funds summarized into a single column. The previous accounting model grouped funds by types, such as special revenue, capital projects, etc.

### **BASIS OF ACCOUNTING FOR BUDGETARY PURPOSES**

In the "Required Supplementary Information" section, the city presents budgetary comparisons for the General Fund and any major special revenue funds; both the adopted and revised budgets are compared with actual figures on a GAAP basis. In the "Other Supplementary Information" section, the revised budgets for the non-major and enterprise funds are compared to actual GAAP figures. The city's budget basis of accounting differs from GAAP requirements in the following ways:

- Grant revenues are budgeted on a modified cash basis rather than a modified accrual basis.
- Fund balances reserved for inventories are not recognized in the budget.
- Certain expenditures (e.g., depreciation in proprietary funds) and revenues accrued under GAAP are not recognized on a budgetary basis.
- Certain funds (e.g., internal service, trust, and agency funds) that must be reported under GAAP are not included in the budget.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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### **Basis of Accounting for Budgetary Purposes (Continued)**

Additional differences between budget and GAAP presentations are in how encumbrances and compensated absences are treated, as addressed below.

### **ENCUMBRANCES**

The City of Tucson integrates encumbrance accounting into its budgetary methods for most governmental and proprietary fund types. Following GAAP, encumbrance accounting records purchase orders, contracts, and other commitments for the expenditure of monies as reservations of fund balance in the fund financial statements of governmental-type funds. Encumbrances outstanding at year-end are not recognized as expenditures for budgetary purposes. Funds appropriated for these commitments can be carried forward and rebudgeted the following fiscal year.

### **COMPENSATED ABSENCES**

In the fund financial statements, the cost of employee vacation leave, sick leave, accumulated compensatory time, and any salary-related amounts are accrued in the proprietary funds as earned.

## **INVESTMENT POLICY**

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The City Charter and state statutes authorize the city to invest in obligations of the U.S. Government, its agencies and instrumentalities, money market funds consisting of the above, repurchase agreements, bank certificates of deposit, commercial paper rated A-1/P-1, corporate bonds and notes rated AAA or AA, and the State of Arizona Local Government Investment Pool. Investment maturities are scheduled so that maturing principal and interest, plus ongoing, non-investment, cash flow is sufficient to cover projected payroll, operating, and capital expenses as these become payable. Funds available for the day-to-day operation of the city may be invested in authorized investments with a final maturity not exceeding three years from the date of the investment. Monies not related to the day-to-day operation of the city, such as bond proceeds, may also be invested for a maximum of three years with maturities based upon anticipated needs.

## ACRONYMS

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<b>Acronym</b>	<b>Description</b>
ADA	Americans with Disabilities Act
ADOT	Arizona Department of Transportation
ARS	Arizona Revised Statutes
AZ	Arizona
BAC	Budget Advisory Committee
BPOC	Bond Project Oversight Committee
CDBG	Community Development Block Grant
CIP	Capital Improvement Program
COPs	Certificates of Participation
CPI	Consumer Price Index
EEC	Economic Estimates Commission
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GIS	Geographic Information System
HURF	Highway User Revenue Fund
ICMA	International City/County Management Association
I-Net	Institutional Network
LTAF	Local Transportation Assistance Fund
MTCVB	Metropolitan Tucson Convention and Visitors Bureau
NCAA	National Collegiate Athletic Association
O&M	Operating and Maintenance
PC	Personal Computer
RNMFD	Rio Nuevo Multipurpose Facilities District
TCC	Tucson Convention Center
TEAM	Transportation Enterprise Area Management
TIF	Tax Increment Financing
VLT	Vehicle License Tax
YMCA	Young Men's Christian Association



# Section J

## *Index*

### TRANSPORTATION



GROWTH

ECONOMIC DEVELOPMENT



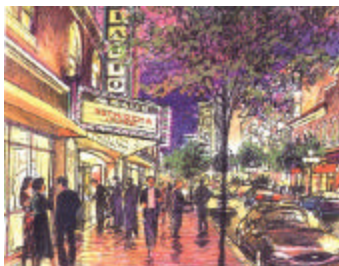
GOOD GOVERNMENT



NEIGHBORHOODS



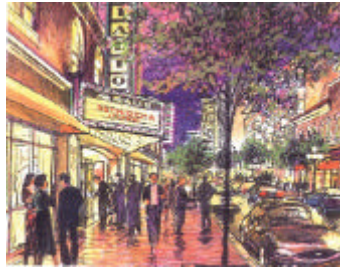
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